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REPORT

ON THE

ESTABLISHMENT AND PROGRESS OF JOINT INDUSTRIAL COUNCILS

Set up in accordance with the recommendations of the Committee on Relations between Employers and Employed—The "Whitley" Committee

1917—1922

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Mar. 25, 1925, S.B. = 25 = G.S.R

To the SECRETARY, Ministry of Labour

SIR,

I HAVE the honour to present herewith a Report on the Establishment and Progress of Joint Industrial Councils, set up in accordance with the recommendations of the Committee on Relations between Employers and Employed—frequently called (after the name of its Chairman, the Right Hon. J. H. Whitley, M.P., now Speaker of the House of Commons) the "Whitley" Committee. The Report covers the period from the appointment of the Committee in October, 1916, to the end of 1922.

In considering the terms of the Committee's Report, it will be useful to review briefly the circumstances existing at the time. In the course of half a century, there had developed in many of the industries of this country recognised procedure in the form of voluntary Conciliation Boards, Joint Committees, &c., equally representative of employers' associations and trade unions, for the settlement of working conditions by negotiation and voluntary agreement. Some form of collective bargaining existed in the majority of industries and formed the basis for the accepted method in this country of leaving the settlement of industrial conditions in the main to the parties themselves, with a minimum of Government intervention. Although considerable use was made of this machinery, the years immediately preceding the war were marked by serious labour troubles.

Between 1914 and 1920 there was a considerable advance in the organisation of employers and workpeople in their respective associations and trade unions—the trade unions of the country about doubled their membership during that period. The importance attached by the "Whitley" Committee to efficient organisation will be seen from the first Report, wherein the Committee state as their considered opinion that "an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organisation on the part of both employers and workers."

During the war, the Government found it expedient to consult with organisations of employers and workpeople in various industries on technical matters such as the allocation of raw materials and rationing of fuel, and a number of joint bodies developed in this manner, *e.g.*, Match Control Board, Oils and Fats Council, Wool Textile Industries Control Board. It was also clear that the termination of the war would be accompanied by reconstruction problems of the highest importance, in which the advice and co-operation of the various industries would be of the utmost value to the Government.

The most important development was, perhaps, the new spirit

aroused by the war and a realisation of the need of national unity. The first " Whitley " Report says :—

> " The circumstances of the present time are admitted on all sides to offer a great opportunity for securing a permanent improvement in the relations between employers and employed."

The terms of reference to the " Whitley " Committee were extremely wide and clearly envisaged proposals of a permanent nature. During the two years of its existence, the Committee considered the whole range of industrial relations. After due deliberation, however, they refrained " from making suggestions or offering opinions with regard to such matters as profit-sharing, co-partnership, or particular systems of wages, &c." The Committee issued valuable recommendations on the subject of conciliation and arbitration (which eventually received legislative approval in the Industrial Courts Act, 1919), but the Committee's proposals for the " establishment for each industry of an organisation representative of employers and workpeople to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community " were those which attracted most attention not only in this country but also abroad. Such Councils were proposed on an entirely voluntary basis and constitute a logical development of the earlier methods of collective bargaining. The Report contemplated in each industry a triple joint organisation, viz., a National Industrial Council, with subordinate District Councils, and Works Committees—the latter being a form of organisation which subsequent enquiries showed to be rare.

The feature which gives the " Whitley " scheme a definite place in the history of industrial relations, lies in the emphasis placed on the community of interest of all engaged in the industry. Throughout their proposals the Committee " kept in view the need for securing in the development of reconstruction the largest possible measure of co-operation between employers and employed." The Committee held the view " that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis." Under modern conditions which make direct personal relations between employers and their workpeople impracticable, their proposals for enlisting the active and continuous co-operation of the workers on the constructive side of industry were to give the workers " a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected." Accordingly a number of questions, extending considerably beyond those with which the Concililation Boards were accustomed to deal, were suggested for consideration by the National Joint Industrial Councils, or allocation to District Councils or Works Committees.

On the approval of the Committee's report by the Government active steps were taken by the Ministry of Labour to assist industries to establish Joint Industrial Councils on the lines of the scheme and, in this work, the Ministry received assistance from members of the Committee and in particular from the Right Hon. J. H. Whitley, M.P. The task of the Ministry was lightened by the fact that considerable progress in this direction had already been made in certain industries, more particularly in the Pottery and Building industries; and the pioneer establishment of the National Joint Industrial Council for the Pottery Industry in January, 1918, gave the movement practical shape. The success of the movement may be judged in part from the fact that, in the period covered by this Report, 73 Joint Industrial Councils have been established, covering many important industries and services, and including municipal and the Imperial Government services. Accurate statistics are not available as to District Councils and Works Committees, but it is computed that up to the end of 1921, not fewer than 150 District Councils had been established (apart from a considerable number of Departmental Councils established in connection with the National Council for the Administrative and Legal Departments of the Civil Service) while the number of Works Committees is probably well over 1,000. Certain of the important and well-organised industries of the country, *e.g.*, coal mining, cotton, engineering, shipbuilding and iron and steel manufacture, having, as indicated above, well-established machinery for the discussion of matters between employers' and workers' organisations, have not established Joint Industrial Councils on the lines of the " Whitley " Scheme. The provision in the Railways Act, 1921, for the establishment of Joint Industrial Councils on the railway systems, and the steps subsequently taken for that purpose by agreement between the railway companies and the unions constitute a development of considerable importance.

Of the 73 Joint Industrial Councils hitherto established, 15 are not at present functioning. In certain of these cases, the Council during its existence did valuable work, such as the determination of the basis of future wage negotiations, and moreover a number of District Councils are continuing to function in industries where the national body has ceased to operate. Having regard to the very difficult conditions through which industry has been passing during the last few years, it is a matter of congratulation that so many Councils have withstood the strain. The aggregate number of workpeople covered by the Joint Industrial Councils and Interim Industrial Reconstruction Committees (a temporary form of joint body established in the less organised industries) at present actively functioning is estimated to be about three millions.

As might be expected from the abnormal and rapidly changing economic circumstances of the period under review, the activities of the Councils have been largely concerned with wages and

working conditions; in this connection many Councils have done valuable work in standardising wages and working hours, but all branches of working conditions have come under consideration. The attached Report makes it clear that the Councils have also done useful work in connection with education, training and apprenticeship, unemployment, research and statistics, welfare, commercial problems and other problems.

With the continuing industrial depression, the Joint Industrial Councils have still to face a difficult time, but a perusal of this Report shows that the Councils have established for themselves a place in the industrial structure of the country, and carry within them possibilities of the highest importance to the future relations between employers and employed.

I am, Sir,

Your obedient Servant,

F. W. LEGGETT.

Industrial Relations Department,
Ministry of Labour.
4th July, 1923.

PART I.

THE "WHITLEY" COMMITTEE'S REPORTS

CHAPTER I.

The First Report.

The Committee on Relations between Employers and Employed (generally known as the "Whitley" Committee) was originally appointed as a sub-committee of the first Cabinet Committee on Reconstruction set up in March, 1916. It continued its work as a sub-committee of the second Reconstruction Committee appointed by the Prime Minister (the Rt. Hon. D. Lloyd George, O.M., M.P.) in March, 1917, and subsequently in connection with the Ministry of Reconstruction established in August, 1917.

Among the matters which in the early part of 1916 were occupying the attention of the first Cabinet Committee on Reconstruction were certain important problems arising from the necessary war measures affecting industrial organisation and policy. On the one hand, the war situation and the operation of the Munitions of War Acts had the inevitable effect of suspending over a very large industrial field, the working of the normal machinery for collective bargaining; while on the other hand, it was evident that such matters as the cessation of Government control of industry, the restoration of Trade Union practices, and demobilisation would give rise to problems which could in no case be settled without the fullest consideration by those directly concerned. Moreover, the future of industrial relations was beginning to receive serious consideration among certain sections of the workers, the employers and the general community, more particularly in view of the new aspirations aroused by the war. It was accordingly decided, in October, 1916, to establish a sub-committee of the Reconstruction Committee with the following terms of reference:—

(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

The Committee consisted of the following members:—

The Right Hon. J. H. Whitley, M.P., *Chairman* (Chairman of Committees, House of Commons), Mr. F. S. Button (formerly member of Executive Council, Amalgamated Society of Engineers), Sir G. J. Carter, K.B.E.

(Chairman, Shipbuilding Employers' Federation), Professor S. J. Chapman, C.B.E. (Professor of Political Economy, University of Manchester), Sir Gilbert Claughton, Bart. (Chairman, London and North Western Railway Company), Mr. J. R. Clynes, M.P. (President, National Union of General Workers), Mr. J. A. Hobson, Miss Susan Lawrence (Member of London County Council and Member of the Executive Committee of the Women's Trade Union League), Mr. J. J. Mallon (Secretary, National Anti-Sweating League), Sir Thomas R. Ratcliffe-Ellis (Secretary, Mining Association of Great Britain), Mr. Robert Smillie (President, Miners' Federation of Great Britain), Mr. Allan M. Smith (Chairman, Engineering Employers' Federation), Miss Mona Wilson (National Health Insurance Commissioner), with Mr. H. J. Wilson (Ministry of Labour) and Mr. Arthur Greenwood as Secretaries.

The Committee first met on 9th November, 1916, and continued its deliberations at frequent intervals during the following months. It became evident, at an early stage in the proceedings, that the general problem could best be dealt with under various headings, such as :—

(*a*) The means of enlisting the co-operation of labour on the constructive side of industry ;
(*b*) Study of existing organisations for joint and continuous consideration of trade matters ;
(*c*) Means by which such organisations could be perfected ;
(*d*) The function, if any, that the State could perform to assist improvement.

On these and other matters, the members of the Committee were invited to prepare memoranda for general consideration, and similar memoranda were also invited and submitted by various independent persons and organisations. Evidence was also submitted to the Committee by an Officer of the Board of Trade as to the general operation of Trade Boards.

The first (interim) Report of the Committee was signed on the 9th March, 1917, forwarded to the main Reconstruction Committee, and submitted to the Prime Minister on the 4th May. This Report, which was signed by all the members of the subcommittee, dealt with the main industries of the country in which organisations fully representative of both sides were already in existence. The Report recommended, in view of the necessity for the continued co-operation of all classes after the war, and especially of employers and employed, "the establishment for each industry of an organisation representative of employers and workpeople to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community."

The means to this end suggested by the Committee were, briefly, that the Government should propose without delay to the various organisations of employers and employed the formation of Joint Standing Industrial Councils in the several industries. The Councils, it was proposed, should consist of representatives of the associations of employers and workpeople meeting at regular and frequent intervals for the consideration of such matters as :—

(1) The better utilisation of the practical knowledge and experience of the workpeople.
(2) Means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.
(3) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying and re-adjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.
(4) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear.
(5) Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.
(6) Methods of fixing and adjusting earnings, piecework prices, &c., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph (3).
(7) Technical education and training.
(8) Industrial research and the full utilisation of its results.
(9) The provision of facilities for the full consideration and utilisation of inventions and improvements designed by workpeople, and for the adequate safeguarding of the rights of the designers of such improvements.
(10) Improvements of processes, machinery and organisation and appropriate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.
(11) Proposed legislation affecting the industry.

The Report further recommended that District Councils, similarly representative of associations of employers and employed engaged in the industry, and Works Committees representative of the management and of the workers in particular establishments, should be set up in conjunction with the National Councils ; it suggested that the formation of detailed schemes and terms of reference should be decided upon jointly by the parties

themselves, and that the functions of the Government should be confined to acting in an advisory capacity when requested to do so.

The following quotations from the Report illustrate the general basis of the scheme :—

> " It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organisation on the part of both employers and workpeople. . . . . We are convinced, moreover, that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected. . . . . We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being, will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way."

In answer to certain questions submitted by the Main Reconstruction Committee, the Sub-Committee emphasised the following points :—

(1) That the proposals of the first Interim Report referred more particularly to industries in which organisation on both sides was fairly well developed.

(2) That the proposed Joint Industrial Councils would not necessarily disturb existing machinery.

(3) That the Councils would be composed only of representatives of Trade Unions and Employers' Associations, and that other organisations would be admitted only with the approval of the side of the Council concerned.

(4) That agreements reached by the Councils should carry the same binding force as in the case of other industrial agreements negotiated between representative bodies, but should not possess the force of law.

(5) That all pledges relating to the restoration of Trade Union rules should remain unaffected by the establishment of the Councils.

The Report was considered by the War Cabinet on 7th June, 1917, when the Cabinet decided that in the first instance the Ministry of Labour should circulate the report to the leading Trade Unions and Employers' Associations, and also to the Commissioners on Industrial Unrest (who had been appointed in June, 1917, to enquire into and report on the existing labour unrest) with a view to ascertaining at an early date the general attitude to the proposed Industrial Councils. In view of the measure of publicity which this procedure would inevitably involve, the War Cabinet

subsequently decided on the 19th June that the report should be presented to Parliament and published. Publication accordingly took place in July (Cd. 8606). Meanwhile the Ministry of Labour circulated the Report to :

146 Trade Unions,
37 Federations of Trade Unions,
107 Employers' Associations and Federations,

and the following general organisations : the Parliamentary Committee of the Trades Union Congress, the General Federation of Trade Unions, the Federation of British Industries.

The covering letter stated that—

> " The War Cabinet are deeply concerned that timely and effective measures should be taken to deal with these questions, for they feel that the future of industry, and indeed of the Country itself, is closely bound up with their successful solution. Moreover, they feel strongly that action cannot be deferred until after the war, as it is essential that the problems concerning the organisation of industry, which peace will bring, should be fully and frankly discussed between employers and employed before they actually arise. Further, as the trustee for the well-being of all classes of the community, the Government is vitally interested in the result of these discussions."

The letter invited the submission of the considered opinions of the organisations to which it was sent, and stated that the services of specially chosen officers of the Ministry of Labour were available for the purpose of explaining the scheme. A considerable number of organisations availed themselves of this offer, while many further requests for copies of the report followed its publication.

By mid-September, 1917, observations on the Report had been received from :

58 Trade Unions,
8 Federations of Trade Unions,
31 Employers' Associations and Federations,
3 Joint Conferences

and from the Parliamentary Committee of the Trades Union Congress, the Federation of British Industries, and the National Alliance of Employers and Employed. Of the 103 replies thus received, none opposed the principle of the Report ; 86 (including 57 Trade Unions and Federations and 25 Employers' Associations) expressly approved the principle ; 12 (including 7 Trade Unions and Federations and 3 Employers' Associations) attached various conditions which they considered essential to the establishment of Joint Industrial Councils ; while 5 (including 2 Trade Unions and 3 Employers' Associations) opposed the application of the proposals to their respective industries. Further, in the course of this enquiry the Ministry was informed that the Building Trade, the Painters, the Plasterers, the China and Pottery Industry and the Printing Trade were already at work on the

establishment of Councils on lines similar to those recommended by the Whitley Committee, at the date on which its first report was published.

With the exception of one area, in which the report of the Commissioners made no allusion to the scheme, the Commissioners on Industrial Unrest appointed, as already indicated, "to enquire into and report upon industrial unrest and to make recommendations to the Government at the earliest practicable date," endorsed the principles and proposals of the first report. The principal grounds on which the Commissioners supported the proposals may be summarised as follows :—

(1) The need for employers to meet the representatives of the workmen regularly, in order to get into touch with their views.

(2) The probability of joint representative bodies dealing more successfully with disputes in their own industries than could be done by independent Courts of Arbitration.

(3) The widespread opposition among both employers and employees to further "Government interference" in the regulation of industry.

(4) The need for a new spirit of industrial partnership and co-operation.

The Report on its publication also received very considerable attention from the Press. While varying degrees of importance were attached to the proposals, comment from almost all sides was favourable. So far as could be judged, the proposals were in harmony with a very substantial body of instructed opinion, both in industry and in the community generally; and in view of the favourable reception thus accorded, the policy indicated in the first "Whitley Report" was adopted by the War Cabinet in October, 1917.

The decision was announced to the Trade Unions and Employers' Associations in a letter sent out by the Minister of Labour (the Rt. Hon. G. H. Roberts, M.P.) under date 20th October, 1917. In this circular letter, it was explained that the proposal to set up Industrial Councils indicated no intention to introduce an element of State interference which had hitherto not existed in industry; in fact, the Councils would be autonomous bodies and would in effect make possible a larger degree of self-government in industry. The scheme was certainly not intended to promote compulsory arbitration. Further, it was not the intention that the general constitution suggested in the Report should be applied without modification to each industry; each industry must adapt the proposals made to its own needs. Also, while representation on Industrial Councils was intended to be on the basis of the existing organisations of employers and workmen concerned in each industry, it was desirable that representation should be determined on as broad a basis as possible. After explaining that the Government desired to see

Industrial Councils established as soon as possible in all organised trades so that the Government might obtain the joint opinion of employers and workmen on the important reconstruction problems such as demobilisation of the forces, the re-settlement of munition workers in civil industries, apprenticeship (especially when interrupted by war service), the training and employment of disabled soldiers, and the control of raw material, the letter proceeds :—

> "In order, therefore, that the Councils may be able to fulfll the duties which they will be asked to undertake, and that they may have the requisite status for doing so, the Government desire it to be understood that the Councils will be recognised as the official standing Consultative Committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned. It will be seen, therefore, that it is intended that Industrial Councils should play a definite and permanent part in the economic life of the country, and the Government feels that it can rely on both employers and workmen to co-operate in order to make that part a worthy one.
>
> "I hope, therefore, that you will take this letter as a formal request to your organisation on the part of the Government to consider the question of carrying out the recommendations of the Report so far as they are applicable to your industry. The Ministry of Labour will be willing to give every assistance in its power in the establishment of Industrial Councils, and will be glad to receive suggestions as to the way in which it can be given most effectively. In particular, it will be ready to assist in the convening of representative conferences to discuss the establishment of Councils, to provide secretarial assistance and to be represented, if desired, in a consultative capacity at the preliminary meetings. The Ministry will be glad to be kept informed of any progress made in the direction of forming Councils. Although the scheme is only intended, and indeed can only be applied, in trades which are well organised on both sides, I would point out that it rests with those trades which do not at present possess a sufficient organisation to bring it about, if they desire to apply it to themselves.
>
> "In conclusion, I would again emphasise the pressing need for the representative organisations of employers and workpeople to come together in the organised trades and to prepare themselves for the problems of reconstruction by forming Councils competent to deal with them. The Government trust that they will approach these problems not as two opposing forces each bent on getting as much and giving as little as can be contrived, but as forces having a common

interest in working together for the welfare of their industry, not merely for the sake of those concerned in it, but also for the sake of the nation which depends so largely on its industries for its well-being. If the spirit which enabled all classes to overcome by willing co-operation the innumerable dangers and difficulties which have beset us during the war is applied to the problems of Reconstruction, I am convinced that they can be solved in a way which will lay the foundation of the future prosperity of the country and of those engaged in its great industries."

Chapter II.

The Second Report on the less organised industries.

In approaching the problem of the less organised industries, the Whitley Committee decided that the advice and co-operation of some representative employers connected with such industries would be of value; and the Prime Minister, on the suggestion of the Committee, appointed Sir Maurice Levy, Bart., M.P. (President, Wholesale Clothiers' Federation), Mr. F. N. Hepworth (Chairman, Employers' side, Tin Box Trade Board), Mr. W. Hill (County Chemical Company, Ltd., Birmingham) and Mr. D. R. H. Williams (T. Taylor and Company, Ltd., Huddersfield) to be additional members of the Committee.

The second report of the Committee was signed* on the 18th October, 1917, but owing to the difficult nature of the problems involved and the necessity for their Departmental consideration in the light of the experience gained in the application of the proposals in the first report, it was not published until 14th March, 1918 (Cd. 9002). Its main recommendations were as follows :—

1. That, in industries where there are representative Associations on either side which do not possess the authority of the organisations in industries to which the first report had reference, the National Industrial Council should comprise either one or two representatives of the Ministry of Labour, acting without voting power in an advisory capacity and as a link with the Government.
2. That, in unorganised areas or branches of an industry for which a National Industrial Council was established, Trade Boards for such areas or branches should be set up on the application of the National Industrial Council and that the National Industrial Council should be represented thereon; or, alternatively, that in such cases the National Industrial Council itself should be constituted a Trade Board under the provisions of the Trade Boards Act.

* Sir G. J. Carter and Mr. R. Smillie were unable to attend any of the meetings at which this Report was considered and therefore did not sign it.

3. That, in industries having no adequate organisation of employers or employed, Trade Boards should be continued or established, and that these should, with the approval of the Ministry of Labour, be enabled to formulate a scheme for an Industrial Council, which might be constituted when organisation in such industries was more fully developed.

The Report also stated that :—

" In considering the scope of the matters referred to us, we have formed the opinion that the expression " employers and workmen " in our reference covers State and Municipal authorities and persons employed by them. Accordingly, we recommend that such authorities and their workpeople should take into consideration the proposals made in this and in our first Report, with a view to determining how far such proposals can suitably be adopted in their case.

" We understand that the Ministry of Labour has, up to the present, circulated our first Report only to employers' and workpeople's associations in the ordinary private industries. We think, however, that both it and the present Report should also be brought to the notice of State Departments and Municipal Authorities employing labour."

In connection with the operation of Trade Boards, the Committee made certain proposals in regard to an extension of scope of these bodies. For the execution of these proposals the Committee pointed out that legislation would be necessary to provide that the Trade Boards should have power :—

1. To deal with hours of labour and questions cognate to wages and hours, in addition to determining minimum rates of wages.
2. To initiate enquiries and make proposals to the Government Departments concerned on matters affecting the industrial conditions of the trade, as well as on questions of general interest to the industries concerned respectively.

The policy indicated in this Report was considered in detail both by the Ministry of Labour and the Ministry of Reconstruction; and in February, 1918, a Joint Standing Committee of the two Ministries was set up with a view to arriving at some provisional classification of industries in respect of their degree of organisation, and to considering what immediate steps could be taken in regard to the less organised industries. On 7th June, 1918, following the publication of the second Report, a joint memorandum was issued by the Minister of Reconstruction and the Minister of Labour explaining the attitude of the Government to the proposals of the Committee.

The memorandum, which was published as the Ministry of Labour Industrial Report, No. 3, stated that from the administrative point of view it had not been found possible to adopt the

whole of the proposals; and certain modifications, which did not, however, affect the main principles of what was already known as the Whitley Scheme, were put forward. The substance of these modifications may be briefly set out as follows:—

1. It had been decided to recognise one type of Industrial Council only, and not to attach official representatives to any Council (as in the case of the appointed members of a Trade Board) except on the application of the Council itself, when formed.

2. It was not regarded as advisable, in view of the fundamental differences in constitution, powers and procedure between a Trade Board and a Joint Industrial Council, that a Trade Board should formulate a scheme for an Industrial Council; nor was it considered probable that Trade Boards for unorganised areas would be set up in conjunction with a Joint Industrial Council.

In support of these modifications, the joint memorandum explained in detail the differences between the two types of joint body, and indicated that, in view of the difficulty of defining any general minimum standard of organisation, the establishment of a Joint Industrial Council would be largely determined by the particular circumstances. At the same time, it was anticipated that, in certain cases, a Trade Board for the whole of an industry might be set up in addition to an Industrial Council, and that in such cases the Joint Industrial Council and not the Trade Board would be recognised by Government Departments as the body to be consulted.

Shortly after the issue of this memorandum, the Ministry of Reconstruction announced, in a memorandum dated 7th July, that owing to the inevitable delays in the formation of a sufficient number of Joint Industrial Councils, and in order that there might be for all industries some representative body for the consideration of the problems of reconstruction, it had undertaken, in association with the Board of Trade and the Ministry of Labour, to promote the formation of Interim Industrial Reconstruction Committees in the less organised trades. These bodies would consist of equal numbers of representatives of Employers' organisations and the Trade Unions, and although set up at the suggestion of the Government, would be independent bodies responsible to the trades they represented. It was hoped that improvements in organisation and the experience of joint consideration of matters concerning their industries would prove so valuable to those concerned that they would in due course desire to develop from the temporary form of a Reconstruction Committee into the more permanent form of a Joint Industrial Council, and this procedure was in fact adopted in fourteen instances. Among the questions suggested for their consideration by the Ministry of Reconstruction were:—

1. The promotion of industrial organisation, and

2. Post-war arrangements, including demobilisation as it affected the industry; terms and conditions of employment; supply and allocation of raw materials; the financial position of the industry; and the improvement of processes and methods.

The establishment of bodies on these lines was forthwith taken in hand by the Ministry of Reconstruction. As from 1st May, 1919, by arrangement between the two Departments and with the consent of the Reconstruction Committees, the association of the Committees with the Ministry of Reconstruction was transferred to the Ministry of Labour. No change of policy was involved so far as the work of the Committees was concerned.

In connection with the suggestions contained in the second Whitley Report, mention must be made of the Trade Boards Act of 1918 which received the Royal Assent on the 8th August. The Minister of Labour was empowered by the new Act to establish Trade Boards in any trade in which he considered it expedient "having regard to the rates of wages prevailing in the trade," with the proviso that he should also be satisfied that no adequate machinery for dealing with wages existed in the trade. Procedure was speeded up and the system rendered more flexible in many ways by giving the Trade Boards greater powers to meet varying conditions of industry, and although the Act did not give the Trade Boards the wider powers suggested by the Whitley Committee, a clause was inserted empowering them to make a recommendation to any Government Department with reference to the industrial conditions of the trade.

Chapter III.

The Third (Supplementary) Report on Works Committees.

In connection with the Third Report of the Whitley Committee, it may be of interest to observe that during 1916 an unofficial committee had been formed under the chairmanship of Lord Henry Bentinck and including three members (Messrs. F. S. Button, J. R. Clynes, M.P., and J. J. Mallon), who were later appointed on the Whitley Committee, to consider the subject of Works Committees. No formal report was issued, but, as a result of this unofficial committee's deliberations, a Works Committee was started at the York works of Messrs. Rowntree on the basis of the discussions, and definite proposals were available to the Whitley Committee at an early stage of their examination of the problem of industrial relations.

Reference was made in the first Report of the Whitley Committee to the establishment of Works Committees, it being recommended in Section 14 that proposals be laid before the National Industrial Councils—

> "that Works Committees representative of the management and of the workers employed should be instituted in particular works to act in close co-operation with the District and National Machinery. As it is of the highest importance that the scheme making provision for these Committees

should be such as to secure the support of the trade unions and employers' associations concerned, its design should be a matter for agreement between these organisations."

In making this recommendation, the Committee expressed the general view that: "It is not enough to secure co-operation at the centre between national organisations; it is equally necessary to enlist the activity and support of employers and employed in the districts and in individual establishments. The National Industrial Council should not be regarded as complete in itself; what is needed is a triple organisation—in the workshops, the districts and nationally."

The Committee now proceeded to a more detailed exposition of their recommendation, and on 18th October, 1917, a third Report (Cd. 9085) was presented,* dealing with this question. At an early stage in its deliberations, the Committee recommended that the Ministry of Labour should prepare a summary of the evidence available with reference to Works Committees both before and during the war. An enquiry was accordingly carried out by the Ministry during the winter of 1917-18, and its Report (Industrial Reports No. 2), published in March, 1918, contained a general account of the origin, constitution and practice of Works Committees and made especial reference to the influence of war developments. The enquiry did not aim at being exhaustive, but an attempt was made to examine carefully typical committees in the chief industries in which they were known to exist with a view to ascertaining their objects, functions, methods of procedure and constitution.

The Ministry's Report is examined in more detail in a subsequent chapter dealing with the establishment of Works Committees in the putting into operation of the recommendations of the Whitley Reports, but it may be mentioned briefly that the general conclusion arrived at in the Ministry's Report was that "Works Committees have, in the great majority of cases, tended to introduce greater harmony and through it greater efficiency." The Report stated:—

> "Sometimes introduced with difficulty and amid suspicion, committees have established themselves and done service which is acknowledged even by their original opponents. By providing a channel for the ventilation of grievances at an early stage, and before they become acute, they have prevented disputes and strikes, and they have improved timekeeping and increased output. Nor is this all. The functions of Works Committees are not merely concerned with bringing grievances before the management, but also with a preliminary enquiry into grievances, in order to decide whether they are well-grounded and serious enough to be brought before the management. The work which they do in this preliminary stage is not the least valuable part of their work, and, far from hampering the management, it obviously does the reverse and relieves the management of difficulties and grievances it would otherwise have to face. Grievances are either nipped in the bud by being shown, upon discussion in committee, to be unfounded, or they are settled in discussion between the secretary of the committee and the foreman or head of the department, and in either case they never come to the main management."

* Sir G. J. Carter and Mr. R. Smillie were unable to attend any of the meetings at which this Report was considered and therefore did not sign it.

The Whitley Committee did not attempt to indicate any definite form of constitution for Works Committees. It based its recommendations on the assumption of the existence of organisations of both employers and employed and the full recognition of such organisations, and the establishment of Works Committees without the co-operation of the trade unions and the employers' associations concerned was very strongly deprecated. The Report of the Committee said:—

> "We think it important to state that the success of the Works Committees would be very seriously interfered with if the idea existed that such Committees were used or likely to be used by employers in opposition to Trade Unionism."

With regard to the functions of Works Committees, the Report referred to the fact that there were certain questions such as rates of wages and hours of work which should be settled by District or National agreement and that with any matter so settled no Works Committee should be allowed to interfere. It pointed out, however, that there were many questions affecting both the conduct, the comfort and the efficiency of working which are peculiar to the individual workshop or factory. "The purpose of a Works Committee," the Report stated, "is to establish and maintain a system of co-operation in all these workshop matters."

The Report further stated that Works Committees would fail in their main purpose if they existed only to smooth over grievances. "They should always keep in the forefront the idea of constructive co-operation in the improvement of the industry to which they belong. Suggestions of all kinds tending to improvement should be frankly welcomed and freely discussed. Practical proposals should be examined from all points of view."

With regard to the questions of procedure, the Report recommended that Works Committees should have regular meetings at fixed times and as a general rule not less frequently than once a fortnight. It was stated that the successful development and utilisation of Works Committees in any business should be regarded as of equal importance with its commercial and scientific efficiency, and that in every case one of the partners or directors or other responsible representatives of the management would be well advised to devote a substantial part of his time and thought to the good working and development of such a Committee.

It was generally recognised both by the Ministry of Labour and by those concerned in the conduct of industry that these proposals

indicated an essential means by which alone the principles of the Whitley Scheme could be successfully carried through the whole industrial field and brought home to the individual workers. An account of the special measures that were accordingly taken by the Ministry of Labour for the establishment of Works Committees is given in a subsequent chapter.

The Committee indicated that they looked upon successful Works Committees as the broad base of the structure they had recommended and it may be observed here that, as will be seen from a later chapter which deals with developments abroad on the lines of Whitley Councils, progress overseas has mainly been in the direction of Works Committees as distinct from national bodies. The Works Councils established on the continent of Europe, however, in general differ in material respects from those proposed under the Whitley scheme.

Chapter IV.

The Fourth Report on Conciliation and Arbitration.

The proposals of the Whitley Committee for "securing a permanent improvement in the relations between employers and workmen" and for the systematic review by those concerned of matters affecting the several industries having been set forth, the Committee decided, with a view to the completion of its work, to give attention to the reference of differences arising in industry to conciliation or arbitration. In so doing, the Committee indicated that it had no intention of expressing any views on the extent to which disputes could be equitably or satisfactorily settled in this manner, and, as regards arbitration, confined itself to the question of machinery to be provided when it was the express wish of both parties to have recourse to it.

In approaching this question, the Committee had to consider a somewhat complex range of data, the scope of which may be indicated as follows :—

(1) *Voluntary organisations existing between employers and workpeople for the settlement of disputes.*

In the course of half a century, Voluntary Conciliation Boards or other recognised procedure for the settlement of labour disputes had been established in this country in all well-organised industries. This procedure was peculiarly characteristic of this country, and its like is not to be found abroad. On the other hand, there were certain important industries where the employers or workpeople, or both, were not organised and where no permanent procedure had been instituted. The position with regard to the settlement of labour disputes in this country prior to the war was that the large majority were settled by agreement between employers and workpeople or their representatives without recourse to Government intervention.

(2) *Existing legislative powers.*

Before the war the only existing Act conferring on the appropriate Government Department powers for dealing with labour disputes was the Conciliation Act, 1896. The nature of the powers conferred on the Ministry of Labour in regard to investigation, conciliation and arbitration is shown by Section 2 (1) of the Act, which reads as follows :—

> "Where a difference exists or is apprehended between an employer, or any class of employers, and workmen, or between different classes of workmen, the Board of Trade* may, if they think fit, exercise all or any of the following powers, namely :—
>
> (*a*) Inquire into the cause and circumstances of the difference ;
>
> (*b*) Take such steps as to the Board may seem expedient for the purpose of enabling the parties to the difference to meet together, by themselves or their representatives, under the presidency of a chairman mutually agreed upon or nominated by the Board of Trade or by some other person or body, with a view to the amicable settlement of the difference ;
>
> (*c*) On the application of the employers or workmen interested, and after taking into consideration the existence and adequacy of means available for conciliation in the district or trade and the circumstances of the case, appoint a person or persons to act as conciliator or as a board of conciliation ;
>
> (*d*) On the application of both parties to the difference appoint an arbitrator."

In 1908 the procedure in the reference of cases to arbitration was supplemented by a scheme under which the reference might be made to an *ad hoc* Board of Arbitration consisting of an independent chairman, an employers' representative and a labour representative, instead of to a single arbitrator.

Since the passing of this Act, the industrial position had undergone considerable change ; labour had become more strongly organised and a number of strikes had involved large bodies of workpeople and tended seriously to affect the public interest. The industrial unrest which existed in the years immediately preceding the outbreak of the war had resulted in increasing use being made of the provisions of the Act, and had also led to consideration being given to the need of strengthening its provisions, but no legislative steps had resulted.

During the war, the Munitions of War Acts, 1915-1917, had been passed as a temporary measure to prevent stoppages of work likely to hinder the output of munitions. These Acts, *inter alia*, introduced legal prohibition of strikes and lock-outs and compulsory arbitration, and, in this connection, considerable success

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* These powers were subsequently transferred to the Ministry of Labour under the New Ministries and Secretaries Act, 1916.

had been achieved by the Committee on Production as a central standing arbitration tribunal. The restrictive provisions of the Munitions of War Acts were intended to be purely a temporary expedient, and had been accepted by organised employers and workpeople only as a war measure.

(3) *Other enquiries which had been made and whose reports had been under consideration in connection with the problem of the adjustment of labour disputes.* Among these were :—

(*a*) Report of the Industrial Council of 1913 with regard to Industrial Agreements (Cd. 6952). The Council had reported, on the evidence then available, that " loyal acceptance of the decisions of the Conciliation Boards has been the rule in all the trades concerned, and it would appear inexpedient to attempt to substitute for these voluntary forms of machinery some alternative method based upon principles other than that of mutual consent." The Council had given an emphatic testimony to the value of efficient organisation among both employers and workpeople in this respect, and had concluded that, while it was in the interests of both parties that industrial agreements should be duly fulfilled, fulfilment was more likely to accrue from reliance on moral obligation and mutual consent, than from the statutory enforcement of penalties. At the same time the Industrial Council had recommended that, subject to certain conditions, an agreement entered into by organisations representative of a majority on each side should be made applicable to the whole of the trade concerned. The principle contained in this last recommendation was subsequently rejected by a large majority of the Trades Union Congress, and was similarly opposed by the Labour Party.

(*b*) Report made by Sir George (now Lord) Askwith on the working of the Canadian Industrial Disputes Investigation Act, 1907 (Cd. 6603). On this, and the general question, the Committee was assisted by the personal evidence of Sir George Askwith.

The Fourth Report of the Whitley Committee on Conciliation and Arbitration (Cd. 9099) was published on 31st January, 1918.* Its principal conclusions may be indicated by the following extracts, whose relevance to the above data will be apparent :—

> " We are opposed to any system of Compulsory Arbitration ; there is no reason to believe that such a system is generally desired by employers and employed and, in the absence of such general acceptance, it is obvious that its imposition would lead to unrest. The experience of Compulsory Arbitration during the war has shown that it is not

* Mr. R. Smillie and Mr. (now Sir) Allan Smith did not sign the Report. The following statement was submitted by Sir Allan Smith : "Without expressing any opinion on the views contained in the Arbitration Report of the Committee, I have refrained from signing the Report, because I consider that the subject dealt with is one which, unprejudiced by any pronouncement of the Committee, should be left to the free discussion and consideration of the employers and workpeople in each branch of industry."

> a successful method of avoiding strikes, and in normal times it would undoubtedly prove even less successful. . . . For the same reason we do not recommend any scheme relating to conciliation which compulsorily prevents strikes or lock-outs pending inquiry. . . ." (Paragraphs 2 and 3.)
>
> " We desire to emphasise the advisability of a continuance, as far as possible, of the present system whereby industries make their own agreements and settle their differences themselves. (Paragraph 4.)
>
> " We suggest that the Ministry of Labour should be authorised to hold a full inquiry when satisfied that it was desirable, without prejudice to the power of the disputing parties to declare a strike or lock-out before or during the progress of the inquiry. . . . Presumably the existing Act empowers the Ministry of Labour to publish reports made as a result of inquiries of this character, but, if not, the necessary power should be obtained, so that there may be immediate publication, for the information of those affected by the dispute and of the public generally, of an independent and authoritative account of the matters in difference." (Paragraphs 3 and 7.)
>
> " It would appear desirable that there should be a Standing Arbitration Council on the lines of the present temporary Committee on Production to which differences of general principles and differences affecting whole industries or large sections of industries may be referred in cases where the parties have failed to come to an agreement through their ordinary procedure, and wish to refer the differences to arbitration. Such tribunal should include in its membership persons who have practical experience and knowledge of industry, and who are acquainted with the respective standpoints of employers and workpeople. There are, however, certain administrative difficulties connected with the utilisation of tribunals of three or more persons, particularly where the parties desire that their case should be heard locally, and where the matter is one of relatively small importance, and it is desirable that suitable persons should be available to act as single arbitrators, where the parties agree to submit their case to a single arbitrator." (Paragraphs 11 and 12.)
>
> " The Committee concur generally in the views expressed in the Report made by the Council in 1913 " (Paragraph 15) as indicated above with regard to the superiority of the principles of moral obligation and mutual consent in respect of the fulfilment of industrial agreements.

The Committee's conclusions were :—

> " (*a*) whilst we are opposed to any system of Compulsory Arbitration, we are in favour of an extension of voluntary machinery for the adjustment of disputes. Where the parties are unable to adjust their differences, we think that there should be means by which

an independent inquiry may be made into the facts and circumstances of a dispute, and an authoritative pronouncement made thereon, though we do not think that there should be any compulsory power of delaying strikes and lockouts.

" (*b*) we further recommend that there should be established a Standing Arbitration Council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available, where the parties so desire."

These recommendations were subsequently given legislative form in the Industrial Courts Act of November, 1919.

Chapter V.

The Final Report.

The final Report of the Whitley Committee (Cd. 9153) was presented* and published on 1st July, 1918. In this Report the recommendations previously put forward were summarised; and the Committee re-affirmed its conviction of the urgency of the matter. Throughout its proceedings, the Committee had refrained from making detailed recommendations in regard to the various industries, and from putting forward any general recommendations in regard to profit-sharing and co-partnership. " Our recommendations " the Committee stated, " have the effect of conferring upon the Joint Industrial Councils, and through them upon the several industries, a large measure of self-government. Many of the subjects which might perhaps have been suggested as forming objects of enquiry by the present Committee are matters which in our opinion can more usefully and profitably be considered by the Joint Organisations."

The Committee had been in existence since October, 1916. Its work was now completed. The Ministry of Labour had been

* Mr. R. Smillie was unable to attend any of the meetings at which this Report was considered, and therefore did not sign it. Sir Allan M. Smith signed, subject to his note to the Report on Conciliation and Arbitration.

The following note was appended to the signatures of Mr. J. R. Clynes, Mr. J. A. Hobson, Miss A. Susan Lawrence, Mr. J. J. Mallon and Miss Mona Wilson :—

" By attaching our signatures to the general Reports, we desire to render hearty support to the recommendations that Industrial Councils or Trade Boards, according to whichever are the more suitable in the circumstances, should be established for the several industries or businesses, and that these bodies, representative of employers and employed, should concern themselves with the establishment of minimum conditions and the furtherance of the common interests of their trades.

" But while recognising that the more amicable relations thus established between capital and labour will afford an atmosphere generally favourable to industrial peace and progress, we desire to express our view that a complete identity of interests between capital and labour cannot be thus affected, and that such machinery cannot be expected to furnish a settlement for the more serious conflict of interest involved in the working of an economic system primarily governed and directed by motives of private profit."

charged by the War Cabinet with the duty of the application of the recommendations of the first report, and a brief note may therefore be given in conclusion on the general line of action taken by it.

The first duty of the Ministry of Labour under the Cabinet decision of 7th June, 1917, had been to bring the proposals of the Whitley Committee to the attention of the various industrial and other organisations. Contingent upon this task, the services of the Ministry were invoked by many of these bodies for the purposes of explanation or consultation upon various aspects of the scheme. Further, inasmuch as the proposals of the Whitley Committee rested on the basis of voluntary adoption, much of the work of the Ministry during 1917 and 1918 took the form of propaganda among those concerned. Assistance was given by various members of the Whitley Committee and a small number of independent persons in the general task of making the proposals known throughout the industrial field. In this connection, mention must be made of the material assistance given to the Ministry by Mr. Whitley himself.

A model constitution for a Joint Industrial Council was issued by the Ministry of Labour to which, as time went on, were added numerous examples of variant clauses drawn from constitutions actually adopted. Model constitutions for District Councils and Works Committees were also published.*

Administration of the Whitley scheme became the principal business of a special department of the Ministry of Labour established in January, 1918. The normal procedure adopted in response to a request for assistance in the establishment of a Joint Industrial Council for any industry was as follows.

The matter was in the first place discussed informally with the representative bodies on either side and, in the course of such discussion and subsequent enquiry, the Ministry was enabled to ascertain the degree of organisation in the industry and the scope of the proposed Council. A representative Joint Conference of the organisations concerned would then be convened. It became the practice for such Joint Conference to appoint a small Joint Committee by which the details of the constitution were drawn up. The Joint Committee also dealt with applications from associations in the industry for representation on the Council, and with the allocation of seats between the various organisations. The constitution when drafted was circulated to the constituent bodies for consideration, and in some cases a further full conference was convened at this stage. Suggested amendments were if necessary considered by the Committee, and the constitution as finally agreed on was submitted to the Minister of Labour. If its provisions appeared to conform to the principles of the Whitley Report, the Council was then formally recognised by the Minister; thus becoming (in the terms of the Minister's letter of October,

* *Vide* Appendix. Detailed information as to the constitutions of Joint Industrial Councils, District Councils and Works Committees is given in Industrial Reports No. 4, published by the Ministry of Labour, price 3*d*.

1917), " the Official Standing Consultative Committee to the Government on all future questions affecting the industry " and " the normal channel through which the opinion and experience of the industry would be sought on all questions with which the industry is concerned." The first meeting of the Council was then convened, at which the initial business was usually the election of officers and the appointment of an executive committee.

The principal difficulties and problems with which the Ministry of Labour had to deal in the application of the Whitley Scheme may be summarised as follows :—

(1) The basis of the scheme of Joint Industrial Councils is the recognition in industry of organisation by employers' associations and trade unions. For various reasons—partly on account of the prior existence of adequate joint machinery, partly because the Whitley Scheme was not considered by the trade unions concerned as suitable to the realisation of their industrial policy,—the formation of Joint Industrial Councils on the lines laid down by the Whitley Committee was not undertaken in certain industries where the recognition of trade unionism was most completely established. In other industries it was not infrequently found that recognition of trade unionism was either limited in degree, or partial in extent. In such cases, where a Joint Industrial Council was desired by the majority, the extension of recognition was evidently desirable; and in this connection the adoption by the Government of the policy of the Whitley Scheme was an important step. It must be borne in mind that, as the Whitley Scheme depended entirely on voluntary acceptance, its extension could proceed only in accordance with the progress of opinion among the various industrial organisations.

(2) The Whitley Committee proposed that Industrial Councils should be formed on the basis of existing organisation. This was an important factor in regard to the scope of the industries for which Industrial Councils could be established. For other purposes, an industry might be defined by enumeration of products, processes or occupations; but for the purposes of the Whitley Scheme the existing organisations on either side and the relations already established between them had to be taken into account. This, more than any other factor, was responsible for the somewhat intricate questions of scope and definition which arose from time to time.

(3) Arising from the same basis, considerable difficulty was encountered in respect of the heterogeneous nature of industrial organisation. The organisation of employers for commercial or productive purposes was by

no means altogether coincident with their organisation in respect of labour matters; and the application of the Whitley Scheme necessitated in several cases a revision of the constitutions and an extension of the scope of existing associations. It sometimes transpired, moreover, that difficulties existing between various associations in respect of trade matters hampered common action in respect of matters in which the labour organisations, under the Whitley Scheme, were concerned.

(4) A parallel and perhaps more serious difficulty arose from the complexity of trade union organisation. In very few industries to which the Whitley Scheme has been applied are the workpeople organised in a single society, or even as regards a large proportion in societies whose membership is confined to a single industry. To the difficulty of securing joint action as between the " skilled " and the " unskilled " unions concerned in each industry was added, in many cases, the difficulty arising from overlapping or competition between unions; and the proportionate representation of the various societies upon the workpeople's side of a Council has been one of the most delicate tasks with which drafting committees, aided by such assistance as the Ministry of Labour could give, have had to deal.

The problems alluded to in this and the preceding paragraph have in fact entailed a thorough survey and systematisation of the organisation in a large number of industries and services.

(5) In conclusion, it may be pointed out that the functions proposed for the Joint Industrial Councils by the Whitley Committee implied the acceptance of a much broader view of the possibilities of joint action in industry than had underlain all previous practice in collective bargaining. The acceptance of this broader view, while encouraged to some extent by the desire of the workpeople for " self government in industry," was in some cases made difficult by the varying interpretations of, and the varying means adopted towards, that ideal. How far the intentions of the Whitley Committee have been realised by the Industrial Councils the following chapters indicate.

PART II.

THE ESTABLISHMENT OF THE COUNCILS.

LIST OF JOINT INDUSTRIAL COUNCILS IN ORDER OF FORMATION.

(The date given is normally that of the first meeting of the parties as a recognised Joint Industrial Council.)

1.	Pottery	11.1.18.
2.	Building	29.5.18.
3.*	Rubber	16.7.18.
4.*	Gold, Silver, Horological, etc.	20.7.18.
5.	Match Manufacture	23.7.18.
6.	Silk	25.7.18.
7.*	Furniture Manufacture	31.7.18.
8.	Heavy Chemicals	16.8.18.
9.*	Bread Baking and Flour Confectionery (England and Wales)	18.9.18.
10.	Paint, Colour and Varnish	18.9.18.
11.*	Vehicle Building	23.9.18.
12.	China Clay	1.10.18.
13.	Hosiery (England)	10.10.18.
14.	Metallic Bedsteads	21.10.18.
15.	Bobbin and Shuttle Making	22.10.18.
16.*	Made-up Leather Goods	23.10.18.
17.	Baking (Scotland)	28.10.18.
18.*	Woollen and Worsted (Scotland)	5.11.18.
19.*	Hosiery (Scotland)	6.11.18.
20.*	Sawmilling	21.11.18.
21.	Wallpaper	8.1.19.
22.	Wool and Allied Textile	15.1.19.
23.	Tin Mining.	17.1.19.
24.	Electrical Contracting	22.1.19.
25.*	Packing Case Making	24.1.19.
26.*	Elastic Web, Cord, Braid and Smallwares Fabric	5.3.19.
27.	Welsh Plate and Sheet	7.3.19.
28.*	Road Transport	11.3.19.
29.	Asbestos	12.3.19.
30.	Coir Mat and Matting	20.3.19.
31.	Waterworks	3.4.19.
32.	Local Authorities' Non-Trading Services (Manual Workers) (England and Wales)	11.4.19.

* Council ceased to function. In the case of Road Transport, certain District Councils continue to function.

33.	Gas	30.4.19.
34.	Electricity Supply	1.5.19.
35.	Heating and Domestic Engineering	8.5.19.
36.	Spelter Trade	13.5.19.
37.	Flour Milling	22.5.19.
38.	Boot and Shoe Manufacture	27.5.19.
39.	Iron and Steel Wire Manufacture	24.6.19.
40.*	Music Trades	25.6.19.
41.	Printing and Allied Trades	1.7.19.
42.	Needle, Fish Hooks, Fishing Tackle	9.7.19.
43.	Carpets	18.7.19.
44.	Wrought Hollow-Ware	21.7.19.
45.	Civil Service (Administrative & Legal Depts.)	23.7.19.
46.	Electrical Cable Making	4.9.19.
47.	Tramways	5.9.19.
48.	Quarrying	23.9.19.
49.	H.M. Office of Works (Industrial Establishments)	24.9.19.
50.	Admiralty (Industrial Establishments)	10.10.19.
51.	Cement	21.10.19.
52.	Maritime Service	19.12.19.
53.‡	Ministry of Munitions (Industrial Establishments)	18.2.20.
54.*	Local Authorities Administrative, Technical and Clerical Services (England and Wales)	25.2.20.
55.	Glass (Exclusive of Plate and Sheet Glass)	11.3.20.
56.*	Entertainments	18.3.20.
57.	Air Ministry (Industrial Establishments)	23.3.20.
58.	Surgical Instruments	14.4.20.
59.	Soap and Candles	22.4.20.
60.	Cooperage	27.4.20.
61.	War Office (Industrial Establishments)	12.5.20.
62.	Process Engraving	3.6.20.
63.	H.M. Stationery Office (Industrial Establishments)	28.6.20.
64.	Insurance Committees Administrative, Technical and Clerical	21.5.20.
65.*	Local Authorities' Administrative, Technical and Clerical Services (Scotland)	14.10.20.
66.*	Local Authorities' Non-Trading Services (Manual Workers) (Scotland)	29.10.20.
67.	Lock, Latch and Key	8.12.20.
68.	Dock Labour	8.12.20.
69.	Gas Mantles	10.1.21.
70.	Seed Crushing and Compound Cake	15.2.21.
71.	Glove Manufacture	21.3.21.
72.	Papermaking	4.5.21.
73.	Lead Manufacture	7.12.21.

* Council ceased to function. In the case of the Council for Local Authorites Administrative, Technical and Clerical Services (England and Wales), certain District Councils continue to function.

‡ Subsequently amalgamated with War Office Departmental Joint Council.

LIST OF INTERIM INDUSTRIAL RECONSTRUCTION COMMITTEES.

Established by the Ministry of Reconstruction.

1.†	China Clay	25.5.18.
2.†	Cement	2.6.18.
3.*	Patent Fuel	3.6.18.
4.†	Glove Manufacture	4.6.18.
5.*	Basket Making	5.6.18.
6.*	Catering	5.6.18.
7.*	Brush Making	13.6.18.
8.†	Glass	2.7.18.
9.†	Quarrying	2.7.18.
10.	Furniture Warehousing and Removing ...	9.7.18.
11.	Fertilising Industry	19.7.18.
12.†*	Packing Case Making	31.7.18.
13.*	Blacksmiths and Farriers	23.8.18.
14.†*	Music Trades	4.9.18.
15.†	Cooperage	10.9.18.
16.*	Cutlery	12.9.18.
17.†	Safe, Lock and Latch	17.9.18.
18.	Cocoa, Chocolate, Sugar Confectionery and Jam	15.10.18.
19.	Envelopes and Stationery Manufacturing ...	7.11.18.
20.*	Railway Carriage and Wagon Building ...	11.11.18.
21.	Clay Industry	13.11.18.
22.†	Wire Drawing	14.11.18.
23.*	Wholesale Clothing (Ladies and Children's Light Section)	27.11.18.
24.	Non-Ferrous Mines	9.1.19.
25.	Artificial Stone	15.1.19.
26.*	Sugar Refining	15.1.19.
27.†	Paper Making	17.1.19.
28.*	Boot and Floor Polish	19.2.19.
29.†	Gas Mantles	24.2.19.
30.†	Lead Manufacture	25.2.19.
31.	Optical Instruments	26.2.19.
32.†	Zinc and Spelter	12.3.19.
33.*	Making-up and Packing of Textiles for Export	7.5.19.

CHAPTER I.

General Progress.

The first Councils.—During the winter of 1916-7 considerable attention was given by the general public as well as by the Government to the question of industrial reconstruction; and in the case of the *Pottery* and *Building* industries important developments had been independently initiated before the publication

* Committee ceased to function. In the case of the Committee for Making-up and Packing of Textiles for Export, the London District Committee continues to function as a District Joint Industrial Council.

† Subsequently reconstituted as a Joint Industrial Council.

of the Whitley Committee's first Report. One of the earliest manifestations of the tendency towards joint action was the series of conferences of Trade Unionists in various industries, of employers, and on two occasions of both together, convened during the early months of 1917 on private initiative. As a result of these meetings, it was decided to make an experiment by way of approach to one specific industry; and largely through the instrumentality of Messrs. Henry Clay, Arnold Rowntree and E. H. C. Wethered conferences of Trade Unionists and of employers in the Pottery industry were held in April, 1917. The following expression of opinion was endorsed by both conferences: "that relations between employers and operatives were much better than before the war, and rendered possible joint consideration of the problems of the industry in a way which would have been impossible a few years ago." A joint conference was convened at Stoke-on-Trent in May, 1917; and in this meeting the Joint Industrial Council for the *Pottery* industry had its origin.

The interim report of the Whitley Committee was first circulated, it will be recalled, during the second and third weeks of June, 1917; by that time steps were already being taken to establish a National Council in the Pottery industry. "Both sides," stated an independent report by Mr. Henry Clay, "had emphasised the need of effective association if conditions were to be improved; a joint council would, it was thought, help both sides to perfect their organisation. From the joint conference, the project was taken to the different associations and unions, and the report of the conference printed and circulated. Agreement in principle was secured by July, 1917; the time since then and the first meeting of the Council was spent in drafting a constitution and submitting it to the various associations. The chief point in which opposition arose was the publication of statistics of average profits. This was thought essential by the leaders on both sides, and agreed to. An American Government Report on the industry was constantly quoted as a model, and had a great influence on the course of the discussions. On the operatives' side there was little opposition, but much apathy among the rank and file. The motive of the manufacturers who took the principal part in the negotiations was primarily better relations and an improvement in the conditions of the workers. The chief attraction to the operatives was the opportunity which the Council seemed to afford of increasing their control of the conditions of the industry."

The first meeting of the Joint Industrial Council for the *Pottery* industry, held in January, 1918, attracted considerable attention in the press as being the pioneer experiment on the lines of the Whitley Report.

Two points of interest may be noted in connection with this Council.

Representation was at first confined to the various Craft Unions in the industry whose total membership was subsequently estimated at less than 35 per cent. of the total number of employees. At a later date it became necessary to amend the constitution of the Council so as to afford representation to the large proportion of workers organised in general labour Unions. Representation was also granted to the clerks engaged in the Pottery industry organised by the National Union of Clerks; to the commercial travellers; and to the Managers and Officials Association. The latter society represented mainly the salaried managerial and technical staff, and there was some discussion as to the side of the Council on which its members should sit. A " cross-bench " position was at first contemplated, but it was eventually decided that the association should be represented on the employers' side of the Council, the representatives reserving freedom in voting.

Secondly, the constitution of the Council contains the following clause among the objects of the Council—" to assist the respective Associations in the maintenance of such selling prices as will afford a reasonable remuneration to both employers and employed."

In this connection it may be noted that the constitution of the Council provides for the collection of statistics respecting wages, making and selling prices, and average percentages of profits on turnover, and on materials, market costs, &c., and for the study and promotion of scientific and practical systems of costing to this end. It will be seen from a later chapter (p. 109) that this was the first Council to institute a statistical enquiry into the internal condition of the industry.

The origin of the Joint Industrial Council for the *Building* industry (Building Trades Parliament) may be traced as far back as February, 1916, when the scheme for a Building Trades Parliament drawn up by Mr. Malcolm Sparkes was brought before the National Associated Building Trades Council (a combination of the 12 principal Unions in the industry, which subsequently became the National Federation of Building Trades Operatives). The scheme proposed that the Trade Unions and the Employers' Associations in the industry should be equally represented on a National Joint Council and on Joint District Boards and Works Committees. The object of the proposed Council or Parliament was " to promote the continuance and progressive improvement of the industry to realise its organic unity as a great national service, and to advance the well-being and status of all connected with it " and detailed suggestions were made to this end. These proposals were submitted in a memorandum by the National Associated Building Trades Council to the National Federation of Building Trades Employers in January, 1917; and about the same time the scheme was brought to the notice of the Whitley Committee. While it was still under consideration by the industry as a whole, the National Painters and Decorators Joint Council was actually set up in

February, 1917, on the lines of the main proposals, and the spirit in which this experiment was inaugurated may be judged by the following extract from the constitution adopted :—

> " There is reason to hope that at any rate the day is past when employer and employed could never meet except for the express purpose of disagreement, and when the many matters in which interests were mutual were overlooked in the discord incidental to the discussion of grievances."

This Joint Council has since met regularly, and it was recognised by the Ministry of Labour as a Sub-council of the Building Trades Industrial Council in October, 1920. Meanwhile, the scheme for the whole industry was being considered by the various Employers' Associations, and on June 20th, 1917, it was adopted by their National Executive. In view of the difficulties in regard to both the occupational and the geographical bases of organisation in the industry, considerable time was necessary for the settlement of the details of the constitution. A scheme of representation was finally accepted by the various associations on each side in January, 1918, and the election of representatives was proceeded with. The first meeting of the Council was held at the Central Hall, Westminster, on 29th and 30th May, 1918. In point of membership, this was the largest of the Joint Industrial Councils established, the constitution providing for a membership of 60 each on the employers' and workpeople's sides and 16 professional members. Wages questions were from the first outside the scope of this Council, these continuing to be dealt with by the existing Conciliation Boards and subsequently by a National Wages and Conditions Council. At the end of June, 1922, the National Federation of Building Trades Employers withdrew from the Joint Industrial Council.

The foregoing detailed account of the formation of the Pottery and Building Trades Councils has been given on account of the wide publicity which the proceedings received, of the interest with which they were followed by other industries, and of the pioneer nature of these experiments. The result was to bring the Whitley Scheme in practical form before the attention of many other industries, and during the remainder of 1918 progress in the establishment of Joint Industrial Councils was rapid. In July, 1918, no less than five Councils were established and by the end of that year the total had reached 20. By the end of 1919 the number of Councils established had risen to 52, by the end of 1920 to 68, and by the end of 1921 to 73.

In some cases the establishment of the Councils was greatly assisted by already established machinery for collective bargaining and by further experience gained during the war on various joint bodies, such as Trade Advisory Committees and Industrial Control Boards. In other cases it appeared that the eagerness of certain societies to adopt methods of regular joint consultation led to a serious under-estimate of the degree of organisation necessary to render such consultation effective.

In the following paragraphs some account is given of the negotiations which led to the establishment of Joint Industrial Councils in the various groups of industries. For obvious reasons, it is impossible to present an exhaustive account of the proceedings in every case, and the intention of the record is rather to illustrate the general progress of, and the problems raised by, the application of the Whitley Scheme than to provide a detailed history of each industry dealt with.

Other Building and Allied Trades.

The organisations concerned in the establishment of a Joint Industrial Council for the *Electrical Contracting* industry were, on the employers' side, the National Federated Electrical Association (England and Wales) and the Electrical Contractors' Association of Scotland and, on the operatives' side, the Electrical Trades Union. The chief problems encountered in the course of the preliminary negotiations, which commenced in January, 1918, were two: namely, the difficulty of securing the association of the English and Scottish employers' organisations on the Council, and the absence of unanimity as to the principle of "Whitleyism" in the ranks of the Electrical Trades Union.

In regard to the former problem, the Scottish section of this trade, as of several others, expressed a strong desire for autonomy; and there was an additional factor in that, while wages in that section were commonly related to the wages of skilled workers in the shipyards, in the English section wages were more generally related to those of the building trades. As to non-wages questions, however, such as demobilisation, it was evident that one Council for Great Britain would be preferable. The difficulty was solved for the time being by providing special means within the constitution of the National Council for the representation of local interests. Thus, among the objects of the Council was included the following:—

> "The establishment of District Councils and Works Committees and to define the functions and scope of such Councils or Works Committees provided that matters under consideration by the National Joint Industrial Council in regard to any particular district or question upon which the views of any district are expressly desired, such matter or matters shall be referred to the appropriate District Council for their observations. When such observations have been received, the matter in question shall be left in the hands of the National Joint Industrial Council."

In September, 1920, however, the Scottish employers resigned from the Council.

In regard to the second problem, viz., the attitude of the Electrical Trades Union to the principle of "Whitleyism," it is to be noted that full recognition of the Council was withheld by the London district branch of the Union.

Notwithstanding these obstacles, the necessity of establishing a joint body to deal with the post-war problems of the

industry was clearly recognised by both sides, and after a draft constitution for a Joint Industrial Council had been drawn up by a small joint committee, a ballot of the membership of the Electrical Trades Union in December, 1918, resulted in favour of the proposed Council. The first meeting was accordingly held on 22nd January, 1919, and at this meeting the principles of the 47 hour week and the discouragement of overtime were mutually agreed on.

Mining and Quarrying.

Joint Industrial Councils have been established in three of the industries falling under this head—*China Clay*, *Quarrying* (with Sectional Councils) and *Tin Mining*. In this group would also fall the Interim Industrial Reconstruction Committees for the *Clay Industry* and for *Non-Ferrous Mining*.

The *China Clay* industry, which is highly localised, must be distinguished from the general clay industries, of which the most important section is the brickmaking trade. For both industries, Interim Industrial Reconstruction Committees were established by the Ministry of Reconstruction during 1918; but in the case of China Clay, the Committee resolved at a very early stage on its reconstitution as an Industrial Council, and after investigation of the scope of the industry and the degree of organisation, the Committee was officially recognised as a Joint Industrial Council in August, 1918. The constitution of this Council was simplified by the absence of that multiplicity of associations which proved a factor of considerable difficulty in other cases, the only societies concerned being the China Clay Employers' Federation on the one side and the Workers' Union on the other.

An Interim Industrial Reconstruction Committee for the *Quarrying* Industry was established in July, 1918. During the following months, the Committee took steps to improve the general organisation of the industry, and in November, 1918, it decided to form five sections, representing respectively the Lime and Limestone, Granite and Road stone, Freestone, Slate and Chalk branches. Shortly after this decision, on the closing down of the Ministry of Reconstruction, the question of reconstituting the Committee as a Joint Industrial Council was raised and remitted for detailed consideration to a joint drafting committee. At the same time, negotiations for the organisation of the five sections of the industry were carried forward, and the constitution eventually adopted for the Joint Industrial Council made definite provision for the establishment of Sectional Councils and for their representation as distinct sections on the National Council. The National Joint Industrial Council first met on September 23rd, 1919, and the five Sectional Councils were inaugurated during the following eighteen months. The Sectional Councils possess virtual autonomy in regard to wages and other matters affect-

ing the individual branches of the industry, and District Councils have been established under their auspices. The history of these Councils and of the National Council is a noteworthy example of the effect of the Whitley Scheme in developing the organisation of an industry.

Tin-Mining, like the China Clay industry, is a highly localised and well organised industry, and the formation of a Joint Industrial Council presented little serious difficulty. The first meeting of the Council took place at Camborne on January 17th, 1919, since which date, in addition to its ordinary business, the Council has given constant and careful attention to the serious position of the industry arising out of post-war conditions—a matter on which it has been in frequent communication with Government Departments.

Metal, Engineering, &c., Trades.

In the larger industries of this group—*e.g.*, engineering, shipbuilding, iron and steel—adequate machinery for joint negotiation already existed, and the establishment of Joint Industrial Councils has been limited to the well-organised trades of a local or specialised character. The list of Councils in order of formation is as follows :—

Gold, Silver, Horological and Allied Trades.
Metallic Bedsteads.
Bobbin and Shuttle-making.
Welsh Plate and Sheet.
Heating and Domestic Engineering.
Spelter Trade.
Iron and Steel Wire.
Needle, Fish Hook, Fishing Tackle and Allied Trades.
Wrought Hollow-ware.
Electrical Cable-making.
Surgical Instruments.
Lock, Latch and Key Industry.
Lead.

Four of these Councils (*Spelter*, *Iron and Steel Wire*, the *Lock, Latch and Key* Industry and *Lead* Manufacture) originated as Interim Industrial Reconstruction Committees and it may be recorded that such Committees were established also for *Optical Instrument Making*, *Blacksmiths and Farriers*, and *Cutlery*. In one case in this group (*Wrought Hollow-ware*) a Joint Industrial Council was constituted as supplementary to an existing Trade Board—this being one of the very few instances of the two types of joint body existing in the same industry. (Another such case is the Cocoa, Chocolate, Sugar Confectionery and Jam Industry Reconstruction Committee supplementary to the Sugar Confectionery and Food Preserving Trade Board.)

Difficulties arising from organisation and representation were encountered in certain cases, but to a large extent these were

obviated by the homogeneous nature of several of the trades dealt with. On four of the Councils (Metallic Bedsteads; Heating and Domestic Engineering; Lock, Latch and Key Industry; and Surgical Instruments) the representation of the workers is comprised within a single organisation; in the Needles and Fish Hooks industry and in the Gold, Silver, &c., trades. only two unions. In the latter case, however, the formation of a new union for the largely unorganised workers in the Birmingham district and the difficulty of securing joint action between the societies led to a break up of the Council shortly after its formation. Among other difficulties encountered during the negotiations in this group may be mentioned first, that of securing co-operation and uniformity of practice as between the federated and a minority of non-federated firms in an industry—a matter which has arisen in a number of cases after as well as before a Council's formation; and second, that of securing general assent to the usual clause of a constitution which provides for the collection by the Council of statistical information as to the position of an industry. This difficulty became serious in only one case, however, in which, after some delay, the principle was eventually accepted by both sides of the Council.

Textile Trades.

With the exception of the highly organised cotton textiles and the industries in which Trade Boards have been established, the main industries of this group have established Joint Industrial Councils as follows (in order of formation) :—

Silk.
Hosiery (England).
Woollen and Worsted (Scotland).
Hosiery (Scotland).
Wool and Allied Textile (England).
Elastic Web, Cord, Braid and Smallwares.
Asbestos.
Coir mat and matting.
Carpets.

An Interim Industrial Reconstruction Committee was also established for the *Making-up and Packing of Textiles for Export*.

Of these Councils, those for the *Woollen Textile* Trades represent by far the largest numbers of workpeople, and the application of the " Whitley Scheme " in these cases furnishes an example of the impetus given by the war to industrial organisation.

In the latter part of 1917 the War Cabinet established a Board of Control of Wool Textile Industries, on which the employers, the workpeople and the State were equally represented. The Board's principal object was not only to ensure Army supplies but also to deal with the difficult problem of providing for civil needs after the Government requirements had been met; in practice, the Board contributed to the solution of every question that arose in connection with the wool textile industries. It was able

to equalise employment throughout the trade during the war period, a condition which had never before existed; and its work is stated to have been " of inestimable value in keeping the whole trade in touch with developments necessitated by the abnormal conditions of the war, and in providing opportunities for employers and employed to meet together to thrash out difficulties as they arose." (War Cabinet Report for 1918.)

One result of these joint labours was to impress on both employers and workpeople the advantages of organisation and association; so that when in November, 1917, negotiations with a view to setting up a Joint Industrial Council for the industry were begun, the organisation of the trade was rapidly approaching a point at which its representation on the proposed Joint Industrial Council was a matter of relatively easy adjustment.

The majority of the operatives were organised in the constituent societies of the National Association of Unions in the Textile Trade, which was formed in 1917. All except three of the thirty-two seats on the workers' side of the Council were ultimately allotted to these societies, and divided among representatives of the raw wool, the manufacturing, the overlooking, the dyeing and finishing, and the merchanting sections of the industry. Two of the remaining seats went to the Workers' Union and one to the Dockers' Union. On the employers' side, there were some 28 associations and federations, which covered practically the whole of the industry, including wool buying, warehousing, sorting, &c., wool carbonising, woolcombing, woollen and worsted spinning and manufacture, the mungo and shoddy trade, and dyeing and finishing.

Preliminary conferences of the employers' and the operatives' representatives were held on December 20th and 21st, 1917, and a drafting committee was then appointed. During the discussions on the constitution, the question of a separate Council for Scotland was raised, and the Employers' Associations and Trade Unions connected with the Scottish woollen and worsted and hosiery industries eventually decided in June, 1918, to establish separate Councils for those industries in Scotland.

The woollen industry in Scotland differs from the English section in that a large number of its operatives are organised in the general labour unions, and in the final allotment of seats on the Scottish Woollen and Worsted Council, the three general labour unions concerned obtained 11 seats, the Scottish Council of Textile Trade Unions receiving the remaining four.

The constitution of the Scottish Council, which first met on November 5th, 1918, provided that it might " for certain functions act as a constituent part of the Council covering the whole of the United Kingdom should this be formed."

In November, 1918, on the suggestion of the Minister of Reconstruction, the Army Council established a Wool Council, with a constitution and personnel similar to that of the Board of Control

of Wool Textile Production which acted as an advisory body in connection with the supplies of raw wool held by the Government until the auction sales of wool had superseded the system of Government issue. Negotiations for the formation of the Joint Industrial Council continued during 1918; the cessation of war conditions and the winding up of the Board of Control of the Wool Textile Production hastened the establishment of the English Joint Industrial Council, the first meeting of which was held at Bradford on January 15th, 1919.

Although the *English Hosiery* Council held its first official meeting some three months before the National Wool and Allied Textile Joint Industrial Council, negotiations in the hosiery trades followed those in the woollen textile industry. The main difficulty which had to be surmounted in the hosiery trades was the defective condition of organisation, more especially among the employers. On the operatives' side there were a number of distinct unions, most of which were affiliated to two general federations, one confined to hosiery manufacturing and the other to dyeing and finishing. The movement towards a Joint Industrial Council resulted in a considerable extension and improvement in the organisation of the trade. The Council, which held its first meeting on October 10th, 1918, covered all processes incidental to hosiery manufacture, but excluded the dyeing and finishing processes.

A similar, and still more marked, improvement may be noticed in the *Coir Mat and Matting* industry. In October, 1918, when the Ministry of Labour was first approached with reference to the formation of a Joint Industrial Council, it was considered that organisation was insufficiently developed to warrant the application of the Whitley Scheme; but during the following year, as a direct result of the desire of the trade to establish a Joint Industrial Council, the organisation of the operatives was brought up to about 75 per cent., while that of the employers was increased from about 50 to over 90 per cent.

The negotiations in the remaining industries of this group, though of considerable interest, call for no special comment. In general terms, two further points may be noticed as having arisen in these cases: first, the difficulty of reaching a satisfactory definition of an industry when the occupational organisation of the workpeople was not co-terminous with the organisation of the employers as determined mainly by commercial conditions arising from the nature of the product; and, second, the difficulty of securing co-operation between general labour unions and craft unions. This arose with particular force in the carpet industry owing to the strength of tradition in the craft unions, and to the fact that, in some cases, collective bargaining had been customary among the employers with the skilled unions only, and it was further complicated in this industry by differences between the Scottish and English employers. The difficulty was surmounted in this and other cases by the understanding that general labour organi-

sations co-operating with unions of skilled workers on Joint Industrial Councils should appoint representatives actually engaged in the respective industries.

The conflict of interests between the workpeople's organisations also showed itself in the elastic web, cord, braid and small wares industry, where the craftsmen had for many years been organised in the Amalgamated Society of Elastic Web Weavers, Braid Hands and Small Wares Fabric Makers, while other workers in the industry had recently joined the Workers' Union. The employers' federation, which was also of recent origin, developed a weakness through the divergence of interest between the town and country employers, and these sectional interests eventually led to a breakdown of the Council.

Printing and Paper-making Trades.

Negotiations for the formation of the principal Joint Industrial Council in this group—the *Printing and Allied Trades* of the United Kingdom—began in the autumn of 1917, and continued during the following eighteen months. The parties originally concerned were the Printing and Kindred Trades Federation on the one side and the Federation of Master Printers and Allied Trades on the other, both being composite organisations, the former embracing a wide range of craft unions, the latter a number of district " alliances " throughout the United Kingdom. At an early stage, the question of the representation of newspaper offices gave rise to some difficulty in view of the marked differences of practice existing between establishments in which newspaper production was the sole concern and those in which general printing work was carried on. Arising out of this matter was the question as to whether the proposed Council should deal only with the mechanical workers, or whether the non-mechanical side of the industry should also be represented. At the date of the Council's formation (July 1st, 1919) the latter was not specially provided for, but the National Union of Journalists was subsequently allotted 2 seats on the Council, and on the employers' side newspaper firms as such (excluding London) are now represented through the Newspaper Society. The question of the representation of establishments in which non-union labour was employed also gave rise to considerable discussion and delay, and it may be noted that the original constitution of the Council defines the employers' side as " an association of employers who are members of the Federation of Master Printers and Allied Trades of the United Kingdom and who employ members of a federated Trade Union." This provision was interpreted, not as limiting representation to firms employing trade union labour exclusively, but as rendering the employment of trade unionists (whether exclusively or no) the ground on which representation might be granted.

In the remaining industries of this group (*Process Engraving, Wallpaper-making, Paper-making*—this last being established originally as an Interim Industrial Reconstruction Committee) negotiations have been of less complexity owing to the clearly defined and well-organised nature of the trades. A further joint body in this group is the *Envelopes and Stationery Manufacturing* Reconstruction Committee.

Wood-working Trades.

Five Joint Industrial Councils were established in this group of trades, viz., *Furniture-making, Vehicle Building, Saw-milling, Packing-case making* and *Cooperage*. The two last named were originally constituted by the Ministry of Reconstruction as Interim Industrial Reconstruction Committees. A Reconstruction Committee was also established in the *Railway Carriage and Wagon Building Industry*. All these joint bodies have ceased to function except the *Cooperage* Joint Industrial Council. The application of the Scheme of Joint Industrial Councils in this group was attended with serious difficulties in respect of organisation and other matters, which in the first four cases, although temporarily overcome, eventually resulted in the breakdown of the Councils. It may be noticed that in none of these industries was there any well-established practice of national agreements prior to the adoption of the Whitley Scheme; and in at least one case (furniture making) the principle of trade unionism had not then secured more than a partial acceptance by the employers. The wide variety of local conditions under which the principal trades were carried on also added to the difficulty of securing effective arrangements for collective negotiation; and the vicissitudes affecting the commercial side of the wood-working industries during, and subsequent to, the war had an effect upon industrial relations which was not altogether favourable to the successful application of the Whitley Scheme. In the case of the saw-milling industry special difficulties arose: first, in respect of the divergence of interests between employers whose primary concern was with the saw-milling industry and those for whom saw-milling was a subsidiary branch of the general timber trade; and second, in respect of the different conditions as to the state of trade and employment as between the home-grown and importing sections of the trade. In the case of the Packing Case Making industry, the difficulties in the way of the formation and smooth functioning of the Council partly arose from the facts that on the employers' side there was no organisation which covered the whole country and on the workers' side the principal Trade Union was a loose combination of District Unions. In the case of the Vehicle Building Industry, the Council included all the organisations connected with the construction of motor bodies and draught vehicles. One of the difficulties of the situation was the divergence of interest between the commercial and private sections of the trade. The employers were organised in two distinct associations broadly on this basis and there was considerable rivalry between them as to the relative strength of their representation on the Council.

Glass, Pottery, Chemical, &c., Trades.

In addition to the Pottery industry, to which allusion has already been made, Joint Industrial Councils have been established in seven industries of this group :—namely *Match Manufacturing; Chemicals; Paint, Colour and Varnish; Cement; Glass; Soap and Candles; and Seed Crushing and Compound Cake Manufacturing.* In none of these industries was there any comprehensive machinery for collective negotiation prior to the adoption of the Whitley Scheme, but in some of them the war conditions of 1917 and 1918 had already resulted in steps being taken to improve the general state of organisation. In the *Match Manufacturing* industry, for example, a Board of Control was established in 1917 to deal with such questions as the allocation of supplies of raw material, and the Joint Industrial Council was evolved on this basis. Considerable changes were necessitated, however, by the wide scope of the proposed Council, especially in regard to the consideration of wages questions with which the Control Board had not dealt. A majority of the workpeople were organised, but as in the past wage negotiations had been conducted with the various firms individually, not collectively, considerable divergencies of wages and working conditions existed. In view of the marked localisation of the industry, the formation of local joint committees in the principal centres of the trade was at once undertaken by the National Council.

In the *Heavy Chemical Manufacturing* industry also the war period brought about considerable developments in the organisation more especially of employers, though in this case some difficulty arose from the fact that organisation in regard to such matters as industrial research, education, communication with Government Departments, &c., was not altogether coincident with organisation for the purpose of collective dealing with labour questions. The difficulty of definition of the industry was also considerable and the formation of the Joint Industrial Council in the Chemical Manufacturing industry had a determining influence upon the formation and the scope of the Councils subsequently established in this group. In the *Chemical Manufacture*, the *Soap and Candles* and the *Paint, Colour and Varnish* industries, Joint Industrial Councils were originally established largely without the direct co-operation of the Ministry of Labour.

The Joint Industrial Councils for the *Cement* and *Glass* industries were established on the basis of the previous Interim Industrial Reconstruction Committees, but in the course of the negotiations respecting the latter (which extended throughout 1919) the scheme of representation was materially expanded and provision was made for the organisation of sectional Councils to cover the various branches of the trade. The Council as finally constituted (March, 1920) did not include the Plate and Sheet Glass section, for which a local Industrial Council was already

in existence at St. Helens, but sectional Councils for the Domestic Fancyware and Illuminating section and the Bottles and Jars section of the industry were later set up.

The ultimate decision to form an industrial Council for *Seed Crushing and Compound Cake Manufacture* was influenced both by the nature of the product, the degree of organisation in this particular industry, and the developments which had meanwhile occurred in the trades dealing with allied products. Among the factors of importance were the relations of the industry with the Soap and Candle Industry in which an Industrial Council had been established. Other factors were that a large number of seed crushers and oil refiners also manufactured compound cake and would be represented on any Council established, certain firms manufactured compound cake only, while certain grist milling firms manufactured compound cake as a subsidiary process. The decision to form the Council was assisted by improved organisation among the workpeople.

Food, &c., Trades.

The early history of the Whitley movement in the *Baking and Flour Confectionery* industry is markedly similar to that in the Furniture trade. In both industries the completion of organisation was closely connected with the transition from local or sectional to national agreements; and to some extent the subsequent failure of both Councils arose from causes inherent in the original conditions.

To a still more marked degree than the Furniture trade, the Baking industry is scattered through all the chief population centres. The number of large firms is comparatively small; among them, however, in the Baking trade the co-operative bodies are important. Also, as in the Furniture trade, the leading employers' association occupied in 1917-18 a somewhat anomalous position; it was representative of the trade in a broad sense, having several thousand individual members all over the country, but it did not comprise local associations as such, and it did not deal as a body with labour questions. Most of its members (not all) were also members of local or district associations, and a large number of these latter were again grouped in about nine federations or associations. Labour questions were dealt with in some important towns by conciliation boards representing the local employers' association and the local branch of the Operative Bakers' Union. In some cases there were separate conciliation boards for the co-operative societies; in others it was understood that the co-operative societies followed the rest of the district. For the co-operative employees there existed the Amalgamated Union of Co-operative Employees, covering all occupations, but a large proportion of co-operative bakers were in the National Operative Bakers' Union, and some in both. On the employers' side, it may be noted, the Baking Council was

the first on which representatives of the Co-operative Societies were associated with private employers.

Under all the circumstances, the reorganisation of the trade on a national basis was a task of very considerable difficulty; and the success of the attempt was only made possible by the genuine desire of a majority in the principal organisations on both sides for a Joint Industrial Council. The first body to take active steps in conjunction with the Ministry of Labour was the Parliamentary Committee of the National Association of Master Bakers. Through a long and difficult series of negotiations, a method of representation of the employers was arrived at which covered all the differences of constitution and interrelation among the employers' associations, the negotiations being further complicated by the desire of certain important district associations for direct representation on the Council instead of through a central federation. On the operatives' side, the main difficulty (not in this case a very serious one) lay in the position of the co-operative employees; it was eventually decided that the Operative Bakers' Union could fairly represent all employees, as only a small proportion of the members of the Amalgamated Union of Co-operative Employees were bakers, and of these the craft union comprised probably a majority. The position of the Scottish industry also gave rise to some difficulty, as the desire of Scotland to have its own independent Council for this, as for some other industries, was much in evidence; but it was finally decided that one consultative body for the whole trade was preferable, and the Scottish trade was eventually included on the understanding that District Councils for the chief areas should at once be set up with a large measure of autonomy. In view of the difficulties which subsequently arose on the National Council, the Scottish section of the trade was separately recognised in May, 1919.

The *Flour Milling* industry is fairly evenly distributed throughout the country according to population, and is strongest in the principal ports. Among the operatives, organisation up to the autumn of 1917 was backward and wages and hours varied widely from place to place. Among the employers, organisation was fairly complete, but the central association was a commercial body which did not itself deal with labour questions.

In October, 1917, the attention of the London Flour Millers' Association was called to the Whitley Report, and the Association appointed a special committee to enquire into the matter. This Committee drew up a scheme of Works Committees, Delegates Committees and District Councils, which was adopted first in London and then in about fifteen other areas. This was undoubtedly the first step towards standardisation of working conditions in the industry, and certain wages agreements were concluded and put into practice on this plan. It appeared, however, that the system thus established was not in all respects consonant with the principles of the Whitley Report, and during the following year

the scheme was extended and revised with a view to the formation of a National Joint Industrial Council. At the same time the organisation of the employees considerably improved and working relations were established between the various trade unions. On the employers' side, the Co-operative Wholesale Society was associated and the Council first met on May 22nd, 1919.

Two Interim Industrial Reconstruction Committees were established in this group, viz., *Cocoa, Chocolate, Sugar Confectionery and Jam* and *Sugar Refining*.

Transport Services.

The development of joint machinery in this group of services was made possible by the improved organisation resulting from war conditions and the gathering together of local organisations into national bodies; before the war the organisation on the workpeople's side was not strong and except for the restricted extent of the Railway Conciliation Boards, joint machinery was practically non-existent.

The first section in this group to establish a Joint Industrial Council was *Road Transport*, but as will be seen subsequently the difficulties of organisation eventually led to a suspension of this Council. The Whitley Scheme was considered by the National Transport Workers' Federation (which included the Unions representing road transport, dock labour, and seamen) towards the close of 1917, and at a conference with the Ministry of Labour held in December of that year it was suggested that waterside transport should first be dealt with, and a conference called of dock and port employers. Early in the following year, however, the question of a flat rate advance for all sections of the Carting industry was raised and brought before the Chief Industrial Commissioner (Sir George, now Lord, Askwith). Joint conferences of the employers and the Transport Workers' Federation were held in January, 1918, at which both sides expressed the desire to form a Joint Industrial Council. During the rest of the year steps were taken to reorganise the employers in the carting industry on a more comprehensive national basis. Difficulties arose, however, in respect of organisation and representation, as a result of which the first meeting of the Joint Industrial Council for the Road Transport industry was delayed until 11th March, 1919.

As with Road Transport, the *Maritime Service* was before the war not well organised and no national machinery for negotiation existed. The establishment, in 1917, of the National Maritime Board, representing the Shipping Federation and the National Sailors and Firemen's Union respectively, resulted from negotiations of the Ministry of Shipping and was the outcome of many previous attempts to overcome the delays to shipping which were attributable to demands of the men for increases of pay and deficiencies in the personnel of vessels carrying troops and stores for the Army and Navy. The history of the Board is set out in some detail in a report presented to Parliament (Cmd. 545 of

1920), in which it is pointed out that, although conceived on lines similar to those adopted by the Whitley Committee in its Joint Industrial Councils, the National Maritime Board differed in some essential features from a Whitley Council. It was brought into being by the Ministry of Shipping during the war, while the Government was liable for the cost of the war increases granted to the personnel, and the Shipping Controller was therefore responsible for its finance and work. Standard rates of pay were introduced at the instance of the Ministry, the chairman and general secretary were appointed by the Shipping Controller and differences were referred to the Controller for a ruling. During the spring of 1919, it was the wish of the parties to the Board that they should resolve themselves into a Joint Industrial Council on the lines proposed in the report of the Whitley Committee, and in this connection the Liverpool Employers' Federation (the only important section of employers' that had remained outside the Board) intimated their willingness to take part in a Joint Industrial Council. Difficulties as to the drafting of a constitution were overcome with the assistance of the Ministry of Shipping and the first meeting of the new Council took place on 19th December, 1919.

The position in respect of *Dock Labour* did not mature until 1920, in the January of which year the Minister of Labour in pursuance of his powers under the Industrial Courts Act, 1919, appointed a Court of Inquiry, under the chairmanship of the Rt. Hon. Lord Shaw of Dunfermline, in respect of a difference that had arisen between the National Council of Port Labour Employers and the National Transport Workers' Federation on the subject of standard minimum wages and other conditions of employment. The Majority Report issued in March, 1920, contained the following statements :—

> " No proper machinery has existed which could mitigate this conflict or smooth a way for the arrangement of differences and the removal of troubles; the task has been hard in many cases upon employers relying upon contracts being obeyed, but finding themselves, in the absence of such machinery, up against the hostilities which might otherwise have been removed. It is in this view that the Court thinks that the time is ripe for the immediate formation of a Joint Standing Industrial Council applicable to the dock workers of the United Kingdom, and for District Councils and Works Committees, all as set forth in the invaluable Report of the Committee presided over by the distinguished Chairman of Committees of the House of Commons, the Rt. Hon J. H. Whitley, M.P. When in the present Report reference is made to Joint Industrial Councils, it may be understood that the whole Whitley Scheme is referred to. The questions before this Court were limited in the manner already described, yet over and over again it has been made manifest that the principal issue now to be determined depends upon a whole series of considerations, and the removal of a whole network of difficulties, to which, with singular forethought, the Interim Report of that Committee, dated 8th March, 1917, applies. We desire not to make this reference one of vague approval, but to refer in particular to Head 16 of that Report. From a perusal of that elaborate and carefully thought out section, it will be seen that of the eleven suggestions there contained, all, or at least eight or nine, would appear to bear directly on those problems the failure to solve which, in the direct relations between employer and employed, is as now reported by this Court a cause of serious conflict, difficulty, delay and loss."

The Report, after dealing with the claim regarding the standard minimum wages, said :—

> " On the point of further procedure, the Court expresses this view : it will be seen from a perusal of the remaining heads of the claim that each and all of these would be eminently suitable, failing private arrangement, of which there seems good hope, for determination by the industrial council and their correlated bodies.
>
> " It ventures to express this further opinion : this Court is the first Court of Inquiry to report under the recent Statute, and it was no doubt right that the very large questions of principle involved in the claim should be thoroughly threshed out before it. But matters of detail would, in its opinion, be better handled by bodies under the Whitley scheme, in which both parties were represented, and which will be possessed not only of general but of local knowledge, than by a Court such as that now constituted. Should the Government agree with this view the result will be that this, which is formally an Interim, will be really a Final Report."

The Court's recommendations on this point were subsequently summarised as follows :—

> " That the constitution of a national joint council and its correlative and local bodies should be undertaken for the dock labour industry on the lines of the Report of the Whitley Committee. That these bodies should, failing agreement by the parties, be charged with the settlement of the incidental matters mentioned in this Report, and of the remaining items of claim."

The Minority Report agreed " that the question of setting up a National Joint Council is of great importance, but it does not appear to us to be within the scope of the Report."

Following the issue of the Report, a National Joint Council for Dock Labour was duly established.

The developments in the *Railway Service* are particularly noteworthy. Before the war, joint machinery existed in the form of Conciliation Boards established since 1907 on the various railway systems : this scheme involved no formal " recognition " of the Unions. During the war, in consequence of an understanding that contentious matters would not be pressed, the Conciliation

Boards fell into desuetude. Negotiations on wages questions were conducted between the Railway Executive Committee on behalf of the Government (who had assumed control of the railways) and the Unions (whose organisation had been much strengthened). In the post-war negotiations it was agreed to establish a Central Wages Board representing the Companies and the Unions, for the determination of differences concerning wages and working conditions, and a National Wages Board, on which sat representatives of the Companies and the Unions with representatives of the users of the railways and an independent chairman appointed by the Government, for the determination of matters upon which the Central Wages Board was unable to agree. In the course of the discussions which resulted in the Railways Act, 1921, a proposal for direct representation on the boards of management was rejected by the Unions and the Act embodied an agreement between the parties for the establishment of Whitley Councils on the railways, the continuance of the Central Wages Board and, in an amended form, of the National Wages Board.

Section 63 of the Act, which provides the first statutory reference to Whitley Councils, reads :—

> " 63.—(1) Arrangements shall be made for establishing for each railway company affected one or more councils, consisting of officers of the railway company and representatives of the men employed by the company elected by those men.
>
> " (2) The constitution and functions of any such council shall be such as may be determined by schemes made in manner hereinafter appearing, it being understood that the functions of the council shall generally be such as are mentioned in paragraph (16) of the Report of the Reconstruction Committee on the Relations between Employers and Employed, dated the eighth day of March, nineteen hundred and seventeen."

In January, 1922, an agreement, to take effect as from the beginning of the following April, was made between the companies and the Unions, which provided for the establishment of not more than five Sectional Councils on each railway. The subjects with which these Councils are empowered to deal include the local application of national agreements relating to salaries, wages, hours of duty and conditions of service ; suggestions as to operating, working and kindred subjects ; general principles governing the recruitment of staffs and tenure of service ; co-operation in efforts to obtain increased business and to promote greater efficiency and economy ; and the well-being of the staff. The agreement also provides for the establishment of Committees at the large stations and depôts. A scheme was approved for the establishment of Railway Councils on each line to deal with subjects of common interest to two or more Sectional Councils, but the formation of these Railway Councils was not proceeded with pending developments in regard to the amalgamation of various companies.

Other Trades.

Of the Councils to which allusion is not made under trade group headings or in the following chapters, three were developed from Interim Industrial Reconstruction Committees : namely, those dealing with *Gas Mantles*, *Glove Manufacture* and *Music Trades*. The *Entertainments* Joint Industrial Council stood in a unique category in view of the group of occupations represented, which included actors, variety artistes, musicians, other theatrical employees and the Electrical Trades Union.

Two of the Councils—those for *Made-up Leather Goods* and *Boot and Shoe Manufacture*—arose indirectly from war developments. In the leather industry a number of advisory committees were set up during the war to deal with questions of supply, and early in 1917 these were amalgamated in a Central Leather Supplies Advisory Committee composed of representatives of the chief employers' federations and trade unions. The proposal to form a Joint Industrial Council led to more co-operation between the separate unions having members in the industry and to an effort among the employers to organise themselves on a more comprehensive basis. These inherent difficulties were not, however, wholly overcome and in particular there existed a large fringe of non-federated firms. In the *Boot and Shoe* industry, the application of the Whitley Scheme was facilitated by the prior existence of a National Joint Standing Committee which dealt mainly with wages and conciliation. Further experience of joint action was gained in this, as in many other industries, on the Trade Advisory Committee set up to deal with the employment of disabled men and other war problems ; and though the evolution of a Joint Industrial Council on this dual basis took over 12 months, no fundamental difficulties were encountered. It is to be noted, however, that the Joint Industrial Council does not deal with wages, the existing machinery continuing to function in this respect.

The formation of a Joint Industrial Council for the *Rubber* industry raised interesting questions of definition—a matter which, in the application of the Whitley Scheme, cannot be altogether separated from organisation. The trade covered four main branches—general rubber goods and manufactured rubber, waterproofed garments (almost entirely centred in the Manchester districts), rubber tyres, electric cables. The India-rubber Manufacturers' Association was stated to cover over 90 per cent. of the firms in the first two categories. The third was represented mainly by the British Rubber Tyre Manufacturers' Association, but this body was primarily concerned with the commercial side of the industry, and its constituent firms settled their labour questions either individually or through the India-rubber Manufacturers' Association. The Cable-makers' Association, representing the fourth group, favoured the establishment of a separate Council for the Cable Industry. This was due to the fact that, owing to modern developments, the use of rubber in cable-making remains

practically stationary, while the use of other materials is increasing; bitumen and diatrined paper are largely replacing rubber and gutta-percha, with the result that only a small proportion of men in a cable factory are directly concerned with rubber. Seeing, however, that the leading rubber union included cable-workers, it was suggested that the cable manufacturers should have representation on the Council to the extent of a watching brief; this proposal was rejected at a full conference of all associations concerned, and the cable-makers subsequently formed an independent Council. Other trades it was decided to exclude were Balata belting (usually made by leather belting manufacturers) and asbestos. The latter, the making of which is partly a textile process, is used by the rubber trades as a raw material, and a separate Asbestos Council was established as stated above.

The trades ultimately covered by the Rubber Council were: Ebonite and Vulcanite, Waterproof garments, Goloshes, Rubber shoes, Gutta-percha, and general rubber manufactures. The Council held its first meeting on July 16th, 1918.

The foregoing account indicates the difficulties attending the establishment of Joint Industrial Councils in general industry. Certain groups of industries, however, in which local authorities and government departments were directly concerned presented special problems of interest, and of these an account is given in the following chapters.

In the great majority of the industries the Ministry of Labour played an active part in the negotiations, prominent individuals in the various trades being interviewed, information as to existing organisation and custom collected, conferences convened, and assistance given in the preparation of draft constitutions. The value of such services of an independent party will be clear to everyone acquainted with the divisions existing among employers as among employed; but it is none the less certain that the very large measure of success attained could not have resulted had there not existed a large body of opinion in industry that the surest path of immediate progress in industrial questions lay along the lines recommended by the Report of the Whitley Committee on Joint Industrial Councils.

Certain of the important and well organised industries of the country, *e.g.*, Coal Mining, Cotton, Engineering, Shipbuilding and Iron and Steel manufacture, have not yet seen their way to establish Joint Industrial Councils. Important persons in three of these industries served on the Whitley Committee and were signatories to the report recommending the establishment of Joint Industrial Councils. All these industries, however, are well organised and there exists well recognised procedure of many years standing for joint consideration by representatives of employers and workpeople. The position in the coal mining industry is of particular interest in that the Mining Industry Act, 1920, contemplated the statutory establishment in the industry of pit committees, district and area boards, and a national board.

The attitude first of the Miners' Federation and later of the Mining Association resulted, however, in the relevant part of the Act ceasing to have effect.

Another aspect of the movement is the considerable attention which has been given to the possibility of establishing Whitley Councils for clerical and administrative services, *e.g.*, in banks, insurance offices, and among law clerks. The establishment of the Councils for the administrative, technical and clerical classes in the Civil Service and in Local Government employment gave considerable impetus to this movement, but so far sufficient agreement has not been found possible among those concerned to bring about the establishment of Councils in the services indicated, save in the somewhat exceptional case of the Insurance Committees under the State Health Insurance Scheme.

It is estimated by the Ministry of Labour that the total number of workpeople in industries covered by actively functioning Joint Industrial Councils and Interim Industrial Reconstruction Committees at the end of 1922 was about 3¾ millions. (This figure includes an estimated three-quarters of a million workpeople in the building trades. The withdrawal of the National Federation of Building Trades Employers from the Joint Industrial Council for that industry at the end of June, 1922, has considerably affected the position of that Council. There is a separate joint body (the National Wages and Conditions Council) which continues to deal with matters of wages and working conditions, and consideration is being given at present to the question of continuing the work of the Joint Industrial Council in regard to education, and safety and welfare.) In addition to the Joint Industrial Councils and Interim Industrial Reconstruction Committees, there exists a considerable amount of other voluntary joint conciliation machinery, and it is computed that, apart from workpeople covered by the statutory Trade Boards, at the end of 1922 in the aggregate about 8½ million workpeople in the country were covered by Joint Industrial Councils, Interim Industrial Reconstruction Committees and other voluntary conciliation machinery.

Chapter II.

Municipal Authorities and Public Utility Services.

In its second Report the "Whitley Committee" had expressed the opinion (*see* page 10) that the terms of its reference covered "State and municipal authorities and persons employed by them," and had recommended that such authorities and their employees should consider the proposals of the Committee with a view to determining how far these proposals could suitably be adopted in their case. The extension of the principles of the "Whitley Scheme" to these cases involved problems of considerable interest in regard both to the nature and degree of organisation in the industries concerned, and to the constitution of the Industrial Councils.

The application of the principles of the Whitley Reports to the industries and services in which municipal authorities are interested was considered as regards the manual workers at the beginning of 1918 by leading members of the associations of such authorities, and also, so far as the four public utility services of Electricity Supply, Gas, Tramways, and Waterworks are concerned, by leading members of the associations representing the company-owned undertakings. Various proposals were made, of which the principal were as follows :—

1. That each municipal authority should set up a Joint Industrial Council for its own industries and services.
2. That a National Joint Industrial Council should be set up for all the industries and services conducted by municipal authorities, the Council to include only municipalities and their workpeople.
3. That a separate National Joint Industrial Council be set up for each of the four trading services, and also for the non-trading services of municipal authorities, these Councils to include only municipalities and their workpeople.
4. That separate Joint Industrial Councils be set up for company-owned undertakings in the Electricity Supply, Gas, Tramway, and Waterworks services.

After several interviews and conferences between leading members and committees of the associations comprising municipal authorities and company-owned undertakings, and also with representatives of the trade unions, general agreement was reached on the basis of the establishment of separate National Joint Industrial Councils for (1) Electricity Supply, (2) Gas, (3) Tramways, (4) Waterworks, (5) Local Authorities' Non-Trading Services (Manual Workers), and on the principle that the Joint Industrial Councils for the four trading services should represent both municipal and company-owned undertakings.

A series of separate conferences, attended by representatives of the employers' associations and the trade unions concerned in each of these industries or services, was next arranged. At these conferences the principle of the Joint Industrial Council was approved, and a Provisional Committee was appointed by each conference to draft a constitution. On the approval of the constitutions by the employers' associations and the trade unions concerned, the associations and unions appointed their representatives to their appropriate Joint Industrial Council. Each of the five Councils held its first meeting in 1919.

These five Joint Industrial Councils deal only with manual workers. The formation of a Joint Council for the Administrative, Technical and Clerical Services of municipal authorities was first considered in September, 1918, by representatives of the associations of these authorities and of the associations representing the employees. A draft constitution for the Council was drawn up and adopted, and the first meeting of the Council was held in February, 1920.

The Joint Industrial Councils for the four public utility services included Scotland as well as England and Wales; District Councils for Scotland were formed for the Electricity Supply, Gas and Tramway Services. Owing, however, largely to differences between Scottish and English Local Government law and administration, separate Councils for Scotland were established for Local Authorities' Non-Trading Services (Manual Workers) and the Administrative, Technical and Clerical Services. The principal points of interest arising in each case are indicated in the following paragraphs, dealing with the individual Councils in order of formation.

Waterworks.—The first meeting of the Joint Industrial Council for Waterworks' Undertakings was held on April 3rd, 1919, representation on the employers' side being divided between the British Waterworks' Association and the Provincial Water Companies' Association. The representation on the operatives' side was a somewhat more difficult matter to arrange, owing to the numerous grades of labour employed. The workpeople were organised in various craft and general labour unions, and in the Metropolitan Water Board Employees' Association. The latter association (which subsequently became the National Union of Waterworks' Employees) was not at the date of the Council's formation a trade union in the full sense, but it was held by Sir George (now Lord) Askwith, to whom the question of its representation on the Joint Industrial Council was referred by the unions concerned, to be eligible for representation; and eventually it was allotted 3 seats out of a total of 24, the remaining seats being divided among 9 other societies in which the workers were organised.

Local Authorities' Non-Trading Services (Manual Workers).—The municipal activities covered by this Joint Industrial Council embrace such services as the maintenance of highways and bridges, the caretaking and cleaning of public buildings, destructor works and dust collection, sewer works, sewer flushing and public conveniences, cemeteries, parks and open spaces, street and road repairing and cleaning, baths and washhouses, etc. This work is distributed in England and Wales among the Municipal Corporations, County Councils, Urban District Councils, and Rural District Councils, all of which bodies secured representation on the Joint Industrial Council through members nominated by their respective associations: the London County Council was also directly represented. The constitution of the National Council was subsequently amended to allow the direct appointment of representatives of the employers' sides of the Provincial Councils, as well as of the Associations of Local Authorities, and of the London County Council. As might be expected with such a diversity of occupations, a diversity of organisation existed among the manual workers employed in the municipal Non-Trading Services. In addition to the general labour unions, the National Union of Corporation Workers and the

Municipal Employees' Association comprised large numbers of the workpeople. In all, eleven organisations of employees were represented on the Joint Industrial Council, which first met on 11th April, 1919.

Gas.—In November, 1916, the National Gas Council was formed, representing both municipal and private employers, and comprising representatives of the undermentioned bodies :—

(1) The British Commercial Gas Association, mainly concerned with commercial matters and publicity.
(2) The Gas Companies' Protection Association, which dealt with Parliamentary matters.
(3) The Institution of Gas Engineers, which dealt with scientific matters.
(4) The Society of British Gas Industries, which dealt with the making of retorts.

The Council was a purely *ad hoc* body, set up to assist the Government in a consultative capacity; and it was to this body that the first overtures relative to the formation of a Joint Industrial Council for the industry were made. The constitution of the National Gas Council, however, was not adapted to the various functions with which the proposed Industrial Council would deal. In order to afford a suitable means of organisation, the Federation of Gas Employers, which included the greater part of the Gas Undertakings which were members of the Gas Council, was formed; and the employers' representatives on the Joint Industrial Council were chosen from the membership of this Federation. The workers in the industry were highly organised, and their representation on the Joint Industrial Council presented comparatively little difficulty.

The first meeting of the Council was held on 30th April, 1919.

Electricity (Supply).—This industry, like the Waterworks, Gas, and Tramways undertakings, is divided between municipal and private management, the principal organisations on the employers' side being the Incorporated Municipal Electrical Association (which represented some 200 municipalities at the time of the negotiations for the establishment of the Joint Industrial Council); the Incorporated Association of Electric Power Companies (comprising statutory companies for bulk supply); the Provincial Electric Supply Committee of the United Kingdom (which was formed early in 1917, and represents the Provisional Order electric light and power companies); and the Conference of the Chief Officials of the London Electric Supply Companies.

The Council, which held its first meeting on May 1, 1919, consisted of 12 employers' and 12 trade union representatives, the former being elected on the basis of six from the Incorporated Municipal Electrical Association and two from each of the company associations. In 1921, however, the Incorporated Municipal Electrical Association resigned from the Council and, following upon a demand which had previously been growing for the direct

representation of the municipal employers' sections of the District Councils, the employers' side of the National Council was reconstituted to provide for the direct election of one member from the employers' section of each of the 13 District Councils, and the representation of the company associations was also increased from six to thirteen. The trade union side of the Council still consists of 12 members, elected by the Amalgamated Engineering Union, the Electrical Trades Union, the National Amalgamated Union of Enginemen, Firemen, Mechanics, Motormen and Electrical Workers, and five unions affiliated to the National Federation of General Workers.

Tramways.—In the case of the Tramway industry the difficulty, which is common to the four public utility services, of including on one Council both municipal authorities and private employers involved prolonged negotiations, but was solved by the inclusion in the constitution of the Council of a clause by which resolutions as to certain specified matters could be carried only by independent majorities of the respective groups of employers as well as of the employees' side of the Council.

On the employees' side, at the outset, opinion was by no means unanimously in favour of the Whitley principle, but was gradually modified as the recommendations of the Whitley Committee became more fully appreciated. More serious difficulty arose, however, from the lack of homogeneity in the organisation of the employees and the reluctance of certain societies to co-operate on a common basis. The difficulty arising from these sources has not as yet been fully overcome, but it was to some extent met by an undertaking given by the National Transport Workers' Federation and inserted in the constitution of the Council to the effect that the Federation " have undertaken to secure that all the employees on the traffic staffs and the semi-skilled and unskilled men engaged in other branches of the industry shall be represented on the employees' side of the Council."

The establishment of this Council, which first met on September 5, 1919, was the climax of practically two years' negotiations.

Local Authorities' Administrative, Technical and Clerical Services.—The negotiations which led to the establishment of this Council began in September, 1918. They were somewhat protracted owing to the extent of the field the Council was intended to cover and to the variety of interests involved. There is little doubt that the final impetus to the negotiations was given by the setting up of the National Joint Council for the Administrative and Legal Departments of the Civil Service. (*See* Chapter III.)

On the staff side, the principal organisation concerned was the National Association of Local Government Officers. Two other societies—the National Amalgamated Workers' Union and the National Union of Clerks—had substantial membership among the staffs of Local Authorities, and, at a conference of representatives of the three associations, held on September 16, 1919, it was agreed that the proportional representation of the three bodies, in the order named, should be 14 : 7 : 3.

On the employers' side, the representation was on the basis of the same associations of corporations and councils as in the case of the Council for the Non-Trading Services (Manual Workers).

A Drafting Committee had been appointed in April, 1919, a draft constitution was adopted, with slight amendment, for circulation to the constituent associations, on September 18, 1919, and the Council first met on February 25, 1920.

Separate Scottish Joint Industrial Councils for Local Authorities' Non-Trading Services (Manual Workers) and Local Authorities' Administrative, Technical and Clerical Services were recognised by the Ministry of Labour in October, 1920.

Chapter III.

The Civil Service.

The experience of the practical working of the Whitley Scheme during the 12 months following its adoption by the War Cabinet enabled the Government to consider the somewhat difficult problem of its application to spheres outside those of private and municipal enterprise. In July, 1918, therefore, the War Cabinet referred to an Inter-Departmental Committee, presided over by the Right Honourable G. H. Roberts, M.P., Minister of Labour, the consideration of the application of the Whitley Report to Government establishments where the conditions were sufficiently analogous to those existing in outside industries. As regards the industrial establishments of the Government, a scheme was drawn up by this Committee, and adopted by the War Cabinet on October 29th, 1918, as a basis for joint discussion by the Government Departments and trade unions concerned. Reference to this scheme is made in the following chapter. As regards the Administrative Departments of the Civil Service, the application of the Whitley Report was referred by the Minister of Labour's Committee to an Inter-Departmental Sub-committee under the chairmanship of Sir Thomas Heath. In the course of its inquiry, this Sub-committee held 11 meetings, and took evidence from representatives both of Government Departments and of numerous associations of Civil Servants.

In its report, dated March 7th, 1919, the Heath Sub-committee carefully examined the differences subsisting between State and private employment, and drew attention to the fact that heads of Government Departments, by reason of their ultimate responsibility to the community as represented in Parliament, have not the same liberty of action in regard to certain matters affecting their subordinates as have private employers. These considerations led the Sub-committee to the conclusion that Ministerial control and responsibility must remain unimpaired as hitherto, and that " the maintenance of Ministerial responsibility to Parliament presupposes that a Minister shall be free to accept or reject

the conclusions of any Joint Council or Committee." The Sub-committee recommended, therefore, that the proposed Joint Councils " should be purely consultative and should not be invested with any executive powers." On this principle a draft scheme was submitted.

The report of the Sub-Committee was brought before a joint conference of representatives of Departments and of the various staff associations held under the presidency of the Rt. Hon. Austen Chamberlain, M.P., Chancellor of the Exchequer, on April 8, 1919. It was unanimously decided that the Sub-Committee's report, together with any other schemes which might be brought forward, should be referred to a Provisional Joint Committee.

The Provisional Joint Committee held ten meetings, in the course of which the report of the Heath Committee and all of the draft schemes drawn up by the various Civil Service Associations were considered, as well as certain memoranda and other evidence bearing on the problem before it. Its Report was presented to Parliament as a White Paper (Cmd. 198), dated May 28, 1919, and published by the Stationery Office.

The main objects, as agreed on by the Provisional Joint Committee, of establishing a system of Joint Whitley bodies for the Administrative Departments were " to secure the greatest measure of co-operation between the State, in its capacity as employer, and the general body of Civil Servants in matters affecting the Civil Service, with a view to increased efficiency in the public service combined with the well-being of those employed; to provide machinery for dealing with grievances; and generally to bring together the experience and different points of view of representatives of the administrative, clerical, and manipulative Civil Service."

To the attainment of these ends, the Committee unanimously recommended proposals, which the report stated were necessarily tentative in character and " subject to such modifications as time and experience may show to be necessary or desirable," for the establishment of a National Council, Departmental Councils, and District and Office Committees.

The recommendations of the Report were approved by the Cabinet on the 13th June, 1919, and on the following 3rd July, the Report was formally adopted, with two minor amendments, by a Joint Conference of official representatives and representatives of staff associations. The two sides were then asked to appoint their representatives in accordance with the Scheme, and the National Council first met on the 23rd July, 1919.

In 1922, following discussions in Parliament, the Government appointed three Members of Parliament to the official side of the National Council.

It may be added that, on the adoption of the system above described, active steps were taken to establish Departmental Councils for the various Government Departments and, in appropriate cases, District and Office Committees.

Chapter IV.

Government Industrial Establishments.

The main outlines of the scheme by which the principles of the Whitley Reports were adapted to the Government Industrial Establishments were provisionally formulated in the report of the Rt. Hon. G. H. Roberts' Committee, to which reference has been made in the previous chapter.

The proposed scheme provided for the setting up of two types of Councils, viz., Departmental Joint Councils and Trade Joint Councils; and for local machinery by way of one or more of the following types of Committee :—

(*a*) Shop Committee.
(*b*) Department Committee (covering a Department, including several shops, of a works or yard).
(*c*) Works or Yard Committee.
(*d*) Trade Committee (covering a trade or a group of trades normally acting together on trade matters).

It was proposed that the official side of each Departmental Council should be composed of responsible officials appointed by the Department concerned, together with a representative of the Ministry of Labour; and that the employees' side should be composed of representatives of Trade Unions having members employed in the various establishments belonging to the Department.

Departmental Councils.—A definite list of matters with which these Departmental Councils would deal was not formulated, such questions being left to be settled by joint action and by the experience of the Councils. The Committee suggested, however, that among the subjects coming within their scope would usually be those involving the common interests of all the industrial employees of the Department, such as the consideration of the general principles laid down in the Department's industrial establishments for the treatment of disciplinary questions, general organisation and management, accommodation and working conditions, welfare, education and technique, &c. In addition, an important work of these Councils or of the Trade Joint Councils would be the consideration and provision of machinery for the ventilation and avoidance of grievances.

Trade Joint Councils.—The fact that it is common for Trade Unions to negotiate wages and certain other matters on a *trade* rather than on an industrial basis, for which purpose a Departmental Joint Council might not be a suitable body, together with the necessity of securing uniformity of action in all Government Departments, led to the proposal to set up Trade Joint Councils to deal with wages and other matters customarily settled on a trade basis. The official side of each of these Councils would, it was recommended, be composed of representatives of all the Government Departments employing the particular class of labour, and the employees' side would be composed of representatives of Unions in the trade concerned. Thus, for example, questions regarding building trade wages in Government establishments would be negotiated by a joint body composed, on the official side, of representatives appointed by H.M. Office of Works, War Office, Admiralty, and other Departments having building trade operatives, together with Treasury and Ministry of Labour representatives, and on the workers' side of Trade Unionists representing building trade operatives employed by the Office of Works and in Woolwich Arsenal, Naval Dockyards, &c.

It was obvious that at the outset difficulty might be experienced in separating the functions of the two types of Council, but it was left to the joint committees appointed to draft the constitution of the various Councils, to work out the details of demarcation. As many persons would be members of both types of Council, the co-ordination of work and the demarcation of functions after the Councils were in operation would not, it was anticipated, be difficult.

Shop, Department, Works (or Yard) and Trade Committees.—These committees form an integral part of the whole scheme. Their precise form, however, would depend on the size of the particular works or yard, and upon the nature of its organisation. It was prescribed as one of the early duties of Departmental and Trade Joint Councils to arrange for the setting up of these bodies.

On the lines indicated above, the procedure in dealing with a question which arises in a shop, according as it is of (*a*) a general or (*b*) a trade character, would be as follows :—

(*a*) A general question—for example, of welfare, discipline, &c., if not capable of settlement between the workman or workmen concerned (with the assistance of the secretary of the Shop Committee or other shop steward) and the foreman, would be discussed by the Shop Committee in a meeting with the representatives of the management or by the secretary of the Shop Committee and the shop superintendent or other official. If it could not be thus settled, the question would be referred to the Works Committee for discussion, and if possible, settlement with the representatives of the management; or possibly the secretary of the Works Committee himself might be able to settle the matter with the management. If a solution could not be arrived at on the Works Committee, the question would be referred to the Departmental Council.

In large works, having shops grouped into departments, it might be found necessary to establish an intermediate Committee between the Shop and Works Committees, *i.e.*, a Department Committee, on which the procedure would be similar, and where the settlement of certain questions might be achieved.

(*b*) A trade question—for example, a question of wages, &c. —if not capable of settlement between the workman or workmen concerned (with one or more of their trade representatives in the shop) and the foreman, would be referred to the Trade Committee or its secretary for negotiation with the works management. If the question could not be so settled the district representative (or representatives) of the union (or unions) would take part in or wholly take over the negotiations; if a settlement could not then be agreed upon, the matter would be referred to the Trade Joint Council.

It was recognised that, in dealing with trade questions, many of the most important Trade Unions have a district organisation as an integral part of their structure, and that it is the practice for the district officials to negotiate with the management of all works (including Government establishments) in their district on matters affecting the district rate of wages or other district arrangements. Provision was therefore made that, in the progress of a trade question from the shop upwards to the Trade Joint Council, the position of the district organisation of the Trade Union should, where it exists, be recognised by allowing the district official of the Trade Union to attend meetings on request.

The fact that the proposed Trade Joint Councils would be concerned mainly with wages questions raised the problem of the relationship of the Treasury to those Councils. As regards wage negotiations in general, the Whitley Report appeared in effect to endorse the established practice of well-organised trades, viz., the arrangement of terms between bodies representative of, and able to make final settlements for, the employers and employed respectively. There was a strong desire on the part of the Trade Unions that similar arrangements should be made as regards Government work; and it was, therefore, recommended by the Inter-Departmental Committee that the Treasury should be represented on the Trade Joint Councils.

* * * * *

The proposals of the Rt. Hon. G. H. Roberts' Committee were brought before a Joint conference of representatives of Government Departments and of the Trade Unions concerned on February 20th, 1919. In opening the proceedings, the then Minister of Labour (the Rt. Hon. Sir Robert Horne, G.B.E., K.C., M.P.) made the following remarks :—

"The policy which is enunciated in the Whitley Scheme, as it is generally known, is a policy which probably offers the greatest possible hope for the future good relations between employers and employed. I think I am not wrong in saying that the key-note to that scheme is the idea of obtaining the best possible harmony between the managing side of the business and those who are at work in the business. The way by which that is to be obtained is by giving the workpeople a far greater share than they have ever had in the past in determining the conditions under which the work is to be carried out. That is a principle upon which we are all agreed, and I for one am perfectly clear in my mind that a great many of the troubles we have had to confront in the past, and which we are facing now, could have been avoided if only the workpeople could have been taken into consultation on the conditions on which business is to be run; and I am certain that in the future we can obtain greater harmony in the labour world if the brains, the intelligence, and the advice of the men performing the functions in the yards and shops, are made available to the men carrying on the business. Now, I want to assure you that the Government is whole-heartedly supporting that principle, and that we agree that it shall be carried out in the most complete fashion in all the shops and yards for which the Government is responsible."

The scheme proposed by the Inter-Departmental Committee was accepted by the Conference as a basis for the formation of Whitley Councils in the various Departments, and a provisional Joint Committee was appointed for the purpose of drafting constitutions. The Provisional Committee consisted of representatives of the following Departments :—Treasury, Admiralty, War Office, Air Ministry; Ministry of Munitions, Office of Works, Stationery Office, and Ministry of Labour; and of the following groups of trade unions : Engineering, Shipbuilding, Building, Printing, Miscellaneous and General Labour. The Committee approved Draft Constitutions for (*a*) Departmental Joint Industrial Councils, (*b*) Trade Joint Councils, (*c*) Works Committees.

In general principle, the model constitutions drafted by the Committee followed the lines of constitutions generally adopted under the Whitley Scheme, with such modifications as were necessitated by the difference between State and private industry. They included provision for regular joint discussion of wages and conditions of employment, of the means for the adjustment of differences, for the collection of statistics and other information on matters relevant to the work of the Departments or trades concerned, and in general for securing the highest efficiency of the various establishments and the welfare of the workers therein.

Questions affecting specific trades concerned in more than one Department were relegated to the Trade Joint Councils; and provision was made for de-centralisation of the Joint Procedure by means of (*a*) Shop Committees, (*b*) Departmental Committees, (*c*) Works or Yard Committees, and (*d*) Trade Committees in the various establishments. These four types of Local Committee are further dealt with in Chapter VI as being analogous to Works Committees in general industry. In this connection, the Provisional Joint Committee stated that :—"The broad object for which these Committees are constituted is to provide a recognised means of consultation between the management and the employees in the respective establishments and

(1) to provide that the employees are given a wider interest in, and greater responsibility for, the conditions under which their work is performed.

(2) That the regulations contained in collective agreements made in the Departmental and Trade Joint Councils are duly carried into effect in the various establish ments.

(3) The prevention of friction and misunderstanding.

The foregoing scheme of Departmental Joint Councils, Trade Joint Councils and Local Joint Committees was closely adhered to in the constitutions adopted by the various Departments, trades or establishments concerned, and a detailed account of the particular negotiations in each case is therefore unnecessary. The procedure followed in most cases what had become the accepted practice in establishing Industrial Councils—a joint conference of the organisations concerned, the appointment of a Drafting Committee to draw up the details of the constitution and membership of the Council, a second conference at which the scheme was ratified or amended, nomination of representatives, followed by the inaugural meeting of the Council. It may be pointed out, however, that in consequence of the many distinct trades covered by the several Government establishments, the Drafting Committees concerned with the Councils in question, and more especially the Trade Union members of such Drafting Committees, had an unusually onerous task in adjudicating upon claims for representation on the Councils and the proportional allocation of seats to the various unions or groups of unions. The mutual adjustments that were inevitable if a fully representative character was to be secured without rendering the size of Councils altogether unwieldy, necessitated the exercise of no little tact and patience, and much credit attaches to the trade union members of the Committees for the success with which their work was attended.

First meetings of the main bodies were held as follows :—

Departmental Joint Councils:

Office of Works—September, 24, 1919.
Admiralty—October 10th, 1919.
*Ministry of Munitions—February 18th, 1920.
Air Ministry—March 23rd, 1920.
War Office—May 12th, 1920.
Stationery Office—June 28th, 1920.

Trade Joint Councils:

Miscellaneous Trades—October 12th, 1920.
Engineering Trades—October 13th, 1920.
Shipbuilding Trades—October 13th, 1920.
Building Trades—October 14th, 1920.
Co-ordination Committee for Government Industrial Establishments—December 1st, 1920.

* The functions of this council were subsequently taken over by the War Office Departmental Council consequent upon the cessation of the Ministry.

CHAPTER V.

District and Sectional Councils.

The decentralisation of the Whitley Scheme by means of District Councils and Works Committees as recommended in the Whitley reports was an undertaking of considerable magnitude, in the execution of which any assistance that the Ministry of Labour could give was necessarily a factor of secondary importance to the activity of those directly concerned. Even had the Ministry been able to provide detailed assistance in all cases, the extent of the field to be covered by the adaptation of the Whitley Scheme to the separate localities and the individual establishments in such industry involved innumerable minor problems with which only the respective parties could be fully conversant. The work of the Ministry was therefore in the majority of cases of a general character. The attention of the National Industrial Councils was specially directed by the Minister of Labour at an early stage to the formation of District Councils; and a model constitution for such bodies was published by the Ministry and adopted as to its broad lines by the majority of National Councils for use in their several industries. In the case of the municipal and public utility services and a small number of other industries, officers of the Ministry took part in the establishment of joint bodies in the various areas.

The model constitution proposed by the Ministry of Labour followed in principle that suggested for the National Industrial Councils. Membership was to be representative of employers' associations and trade unions, with members of the National Council as ex-officio members of the District Council in their own areas. The range of functions suggested was similar to that of the National Councils with the general condition that the action of a District Council must be consistent with that of the National Council for its industry, and that any executive action contemplated in which the interests of more than one district were involved should be subject to the veto of the superior body. Co-operation with the District Councils of other industries in regard to problems of common interest was also recommended.

The progress made in the establishment of District Councils, has varied widely between the several industries. In some cases such as Bobbin and Shuttle Manufacture, Chemical Manufacture, Hosiery, Locks and Latches, Metallic Bedsteads, Needles and Fish Hooks, Pottery, Soap and Candles, Tin-Mining, and Welsh Plate and Sheet—the localisation of the industry or the extreme centralisation of control diminished the necessity for district machinery. In others, varying considerations had to be taken into account as to the advisability and the possible scope of District Councils. Not infre-

quently the existing district branches of employers' associations had a determining influence, as it was obviously more feasible to establish definite joint machinery for common action on the lines of an already established basis than to evolve a new geographical basis of association. In other cases the existence of a customary area throughout which wage rates in the industry were by past tradition co-ordinated was a factor of importance. A further factor to be reckoned with was the existence in certain trades of local arrangements by which a certain relation was maintained between wages in a given industry and those in some other; and it must be borne in mind that not only the actual relation, but also the industries between which it prevailed, varied considerably in different areas. There was also the consideration that while National Industrial Councils might, and probably would, act with considerable independence in regard to the conditions of employment of their various grades of labour, the application of such conditions might give rise to difficulties if it were found that District Councils for different industries were applying different principles to the employment of analogous grades of labour in the same area. Experience showed that none of the foregoing considerations could safely be neglected; and among other results, it appeared that the degree of autonomy allowed, more especially in regard to wage questions, by the respective National Councils to District Councils was a matter of considerable importance.

The extent to which autonomy has been given to District Councils under the Whitley Scheme varies considerably and is usually dependent upon the current practice in the trade concerned in dealing with wages. The District Councils in the Wool (and Allied) Textile Industry, the Electrical Contracting Industry, and in the industries and services in which municipal authorities are concerned have a considerable measure of autonomy, but in all these cases the National Councils have the right to deal themselves with wages and conditions for the industries as a whole. In the case of the last-named group, *i.e.*, the municipal and public utility services group, the majority of the District Councils for the Electricity Supply, Gas, and Waterworks Industries and for the Non-Trading Services have graded the undertakings or the authorities in their respective areas, and have fixed schedules of wages for each grade.

In certain cases arising within the municipal and public utility services group, difficulty has been experienced in two respects. In the first place, the variety of municipal authorities comprised has rendered it difficult for some of the District Councils successfully to apply standard schedules of wage rates and conditions of employment. In the second place, the application of different rates to similar grades of labour in the same district by District Councils for different industries and services has created difficulties in certain cases, and tentative efforts have accordingly been made in some of these to set up co-ordinating machinery for the District Councils concerned.

In the remaining industries mentioned above the position is as follows. In the *Wool (and allied) Textile Industry*, while the " fixing of the standard rates of wages for similar occupations in the industry " is among the express functions of the National Council, it is provided that a District Council " shall have power to consider and determine any matter within the objects of the Council and referred to it by a Trade Committee in its area . . or by an affiliated association with members in its area . . . or by the Council . . . or of which notice has been given by a member of that District Council. . . Providing that no resolution of a District Council . . . shall become operative . . . if it affects the interests of the Council or of another District Council or Trade Committee until the matter in question has been considered and determined by the Council itself which shall be the final authority."

In the *Electrical Contracting Industry*, the original scheme of area classification of establishments and corresponding rates was laid down by the National Council. Subsequently variations have been negotiated on the District Councils, and by special provision of the constitution, District Council agreements are reported to the National Council and become operative unless vetoed at the next meeting of that body.

Apart from the foregoing examples, which may be taken to illustrate the maximum degree of autonomy possessed by District Councils, there exists a number of cases in which the settlement of local variations of rates follows a different principle. Thus, in the *Flour-milling Industry*, the National Council has (*see* page 87) prescribed standard rates on a dual basis of classification of areas and of roller-capacity of the mills in each area; the District Councils are charged with classification of the individual mills in their own areas and a right of appeal to the Executive Committee of the National Council exists.

A different class of cases may be distinguished in which it has been found convenient to establish Sectional Councils where the branches of an industry are sufficiently distinct to render separate treatment advantageous. As already mentioned in a previous chapter (p. 33), in the *Quarrying Industry*, five Sectional Councils have been established dealing with Lime and Limestone, Granite and Roadstone, Freestone, Slate and Chalk. This division according to product followed the existing organisation of the employers, and corresponded to distinct differences in the processes and grades of labour involved. Constitutionally, the National Council for the entire industry is the supreme authority in regard to wage agreements, but in practice it has been found possible for the Sectional Councils to act with virtual autonomy.

In the *Glass Industry*, as stated in the note on the establishment of the Council (p. 40) a similar arrangement is in operation for the manufacture of Bottles and Jars and for the Domestic Fancyware and Illuminating Sections. The constitutions of these two Sectional Councils enumerate the products and the

separate processes with which each is concerned, and while the differences are sufficient to allow of much independence the National Council for the entire industry remains the final authority in regard to matters affecting more than one section. The Interim Industrial Reconstruction Committee for the *Cocoa and Chocolate, Sugar Confectionery, and Jam Industry* also conducts its business largely on panels which represent the three sections indicated by its title, and between which there are considerable differences both of commercial and occupational conditions. Such an arrangement has the advantage not only of providing each separate branch of an industry with its own joint machinery, but of avoiding larger meetings, and incidentally greater expenses, than are necessary to the consideration of particular matters.

The examples above quoted give a general idea of the main differences in the constitutions adopted by the Joint Industrial Councils concerned. It will, however, be appreciated that departures from the constitution have occasionally been made when dealing with particular wages applications. It should also be stated that, where Councils have attempted to draw up national wage arrangements covering districts with diverse conditions, it has eventually been found necessary in certain cases to remit the matter to the District Councils or to local negotiation between employers' and workers' representatives.

The general practice in regard to matters on which a District Council has failed to reach agreement is for the question to pass to the National Council for hearing and decision if the matter is within the competence of the National Council, and in the cases of the *Flour-milling*, *Quarrying*, *Tramway* and *Waterworks* Councils, special rulings have been given or special machinery devised with a view to ensuring the consistent application of this principle. In the *Wool (and allied) Textile Industry*, arrangements have been made for the appointment by the National Council of panels of arbitrators, though in this case certain District Councils may appoint, if they so resolve, their own panels for District affairs.

Up to the end of 1922, not less than 150 District Councils had been established in general industry by the various Joint Industrial Councils. In addition, a considerable number of Departmental Joint Councils have been established in connection with the National Council for the Administrative and Legal Departments of the Civil Service in the various branches of the Service throughout the United Kingdom.

A large proportion of the District Councils are in the municipal and public utility services group of industries, and the District or Provincial Councils in this group occupy in some respects a special position which will be better appreciated in connection with the subsequent chapter on the work of the Councils as to wages and the grading of employees.

It may be added that, in certain instances, where it has not been possible to form national joint machinery, District Councils have been formed not attached to any National Joint Industrial

Council (*e.g.*, Indoor Brewery Workers, Beer Bottlers, and Maltsters, North Midland Area Council and the Midland Joint Council for the Hosiery Dyeing and Finishing Industry) and in other cases where the national body has from one cause or another ceased to function, District Councils have remained in existence (*e.g.*, London District Council for the Industries of Making-up and Packing of Textiles for Export and of Cloth Working in trust and/or on commission, various district councils for the Local Authorities' Administrative, Technical and Clerical Services (England and Wales) and for the Road Transport Industry).

Chapter VI.

Works Committees.

Reference has been made in Part I. Chap. III. of this Report to an enquiry carried out by the Ministry of Labour at the suggestion of the Whitley Committee into the objects, functions, methods of procedure and constitution of various Works Committees which were then known to be in existence. It will be convenient before dealing with the subsequent development of Works Committees to indicate in the first place the results of that enquiry as showing the nature of the field to which, in particular, the third Report of the Whitley Committee had reference.

It was found at the outset that much depended on the definition of the term Works Committee. Using it in a somewhat wide sense, it was evident that Works Committees had been in existence for many years and that, while various causes had contributed to their development, they had very frequently sprung from the common methods of Trade Union organisation in the workshop. Participation in deputations to the management—a general feature of modern industry—had naturally led to the practice of electing more or less informal committees to present common grievances. In organised establishments, the official shop stewards of the Trade Unions concerned frequently participated in such deputations, and it was from the functions of these officials—*e.g.*, the collection of trade union dues, the interrogation of defaulters and newcomers, the supply of trade information, the calling of shop meetings, &c.—that many Works Committees had developed. Moreover, Committees for the arrangement of piece-prices had existed in a number of establishments for many years.

The industrial conditions during the war, and in particular the application to individual establishments of proposals for "dilution" of labour and alterations in methods of remuneration, led to a very considerable development in the number of Works Committees. Especially was this the case in the engineering industry. Committees were frequently established to discuss with the management on what machines or processes, to what extent and under what conditions, dilution should be introduced; to

consider and discuss piece-prices and premium bonus times fixed by the management; to supervise time-keeping bonuses and profit-sharing schemes; to deal with welfare questions; to administer funds raised for war purposes, &c. Committees formed by the Trade Unionists in an establishment with a specific object often developed a wider sphere of usefulness and came to be consulted by the management on other matters. Even Committees formed merely for social purposes prepared the ground, if they did nothing more, for Works Committees of an industrial character.

In view of these differences of origin, it was not surprising that the Ministry's enquiry revealed a great variety in the composition of the Committees in existence. In some works, the representatives were elected by the whole of the employees voting as one constituency. More frequently, each Department or Shop formed a separate constituency and returned a proportion of the total number of members. Occasionally, election was by occupations or trades. In some works, the Committee were elected by the shop stewards of the various Trade Unions represented in the works. In other cases, all the members of a Union in the works elected a certain number of representatives. In certain cases, the method of election appeared to be by the members of each branch of a Union employed in the establishment.

It will be seen that the relation of Works Committees to Trade Unions necessarily formed an important part of the Ministry's enquiry. There was indeed some evidence of actual conflict of authority between Trade Unions and Works Committees. Such cases, however, appeared to have been given an altogether disproportionate prominence in public discussion—to the detriment of those whose main desire was to create constitutional machinery suited to new and rapidly changing conditions. It was clear that since the questions for which this machinery was required were largely peculiar to individual establishments, the collective bargaining, if it was to be done at all by the Works Committee, must be limited to single establishments. And at the same time, unless the results were to impair the standard conditions which it was the aim of the Trade Unions to uphold, the work obviously must be entrusted to representatives of the Unions. On the whole, the information obtained during the enquiry suggested that the division of jurisdiction was in practice well understood and closely followed. As was said in one case,

> " The Committee regard questions of general application, relating to rates of wages, hours of work, or otherwise, which affect ' district conditions,' as beyond their jurisdiction. There is no formal rule to this effect; but this limitation of the Committee's power is well understood, and no difficulties have arisen."

Much of the uncertainty which existed as to the composition and powers of a Works Committee in relation to the Trade

Unions appeared to be due to the fact that the various members of a Committee might be responsible to many different Unions. So far as the skilled trades were concerned this difficulty, although raising a number of questions, did not appear to be serious. As between the members of skilled and unskilled Unions, however, the position was more difficult. Several cases were encountered of two separate Committees—one representing the skilled and the other unskilled and semi-skilled men—in the same works. In other establishments, skilled and unskilled men voted for the same Committee and acted together as members. On this point the Ministry's Report observed,

> " The problem would appear to be one which cannot be settled by the men in each establishment—though they may provide valuable suggestions—and it must probably be left for the Trade Unions concerned to come to some agreement on the matter. For this reason a certain number of workpeople, both skilled and unskilled, consider that in cases where the difficulty is acute, the policy of two committees is the best working arrangement. The defects of such a system are too obvious to require particular mention. It may, however, be noted that the system obstructs very considerably that joint consideration of common interests and desires, to find expression for which is one of the main purposes of a Works Committee. It tends instead to concentrate the attention of each Committee upon points of divergence of interests."

It was found that it was the practice of many of the Committees investigated during the Ministry's enquiry to meet the management at regular intervals of a week, a fortnight or a month, or at irregular intervals as occasion required. It was frequently the custom for agenda to be circulated and minutes kept.

Joint Committees of the management and employees—and this was the type of Committee which the Whitley Committee subsequently recommended—were rare. Of those which did exist, while there were certain cases in which the decision of a *majority* of the members of the Joint Committee was carried into effect, this appeared not to be the general custom. As was pointed out in the Ministry's Report,

> " The management has the executive power, and unless the management is impressed by the representations of the members of the Committee or by the sanction which lies behind them, those representations will not lead to executive action. . . . The operation of a Joint Committee is really in the nature of consultation between two parties—consultation which, if it results in unanimity, results in action, but not otherwise. It would be a mistake to think in terms of voting, or to think that even if there is voting its result is a formal decision by a *majority* vote. What happens

is rather discussion by which misunderstanding is often removed, and upon which, if *unanimity* is attained between the two sides, action will ensue."

A further question of importance which emerged in this connection was the definition of the term " management." On the one side it was urged that the functions of a Works Committee should not be such as to interfere with management, while on the other it was urged that if a Works Committee were debarred from questions of management it lost reality and became a mere form. Much, therefore, depended on the sense in which the term management was used. One aspect of this question was referred to in the Ministry's report as follows :—

" Is the work of the foremen part of management, or does the word denote the higher organisation of industry? It would appear that a Works Committee, if it is to be of any value in ventilating and removing grievances, must be in a position to ventilate grievances arising from the conduct of foremen or overlookers. Such grievances touch the worker most closely in his daily work and, if they cannot be discussed, the Committee loses a sphere of action in which it might be of the greatest service. It is true that if a Committee has the right of criticising the action of foremen, difficulties may arise. Foremen may feel that their authority is undermined; they may feel that they are being made responsible not only, as heretofore, to the management (a responsibility they know and understand), but also to the Committee; they may feel that with a dual responsibility their position becomes exceedingly difficult. These are real problems. In many instances, however, they appear to have been surmounted, and if they prove serious they may perhaps be met to some extent if the general manager arranges to meet the foremen in advance and to discuss with them criticisms and grievances which have come from the Works Committee."

It will be seen that the Ministry's enquiry raised altogether a number of important considerations. The Report of the enquiry together with an Appendix containing reports on some of the individual Works Committees investigated was, as previously stated, published in March, 1918; a further Appendix consisted of the Third Report of the Whitley Committee. The whole publication, known as Industrial Reports No. 2, attracted considerable attention and was of service to Joint Industrial Councils and others concerned with working out the problems of Works Committees for their own industry or their own establishment. The object aimed at was to present the facts as accurately as possible, to point out the various difficulties which had been encountered and the various methods which had been devised to meet them. No attempt was made to sketch any ideal form of Works Committee. The general conclusions drawn as to the good service done by Works Committees have already been quoted in Part I Chapter III of this Report.

With a view to rendering assistance, the Ministry of Labour proceeded during 1918 to prepare suggestions as to the actual constitutions and functions of Works Committees in industries in which Joint Industrial Councils had been or might be established. Although it was still not attempted to sketch any ideal form of Works Committee, it was felt that a model form of constitution would be of assistance particularly to those representatives of employers and workpeople who were or might be appointed by a Joint Industrial Council to draft a constitution for Works Committees for their particular industry. It was recognised not only that it was impossible to devise any scheme suitable to every industry, but that the constitution of the Works Committee would vary with the size of the firm, the nature of the business and the form taken by organisation amongst the employees.

The Ministry's suggestions were published in Industrial Reports No. 4 in January, 1919.* They outlined a type of Joint Committee composed of (*a*) representatives of the workpeople and (*b*) representatives of the management. Such a committee, it was suggested, should have as its general objects, (i) to give the employees a wider interest in and greater responsibility for the conditions under which their work is performed, (ii) to enforce the regulations contained in collective agreements drawn up by District and National Authorities, and (iii) to prevent friction and misunderstanding. The Ministry pointed out that, while the attainment of these objects demanded the establishment of recognised means of consultation between management and workpeople, anything that was done must be consistent with the principles of the collective agreements accepted by the District and National Authorities.

Although the underlying principle of the Ministry's suggestions was the joint character of the Committee, it was not intended necessarily to recommend an equal number of members on the two sides. In many works this would be impracticable. Moreover, the contemplated procedure by which decisions of the Committee would be arrived at only by agreement between the two sides rendered an equal division of members unnecessary. On the management side, therefore, 2, 3 or 4 members, including the managing director, the works manager and, where such an official existed, the labour or welfare Superintendent, were suggested as a suitable number. On the workers' side, some number from 5 to 12, depending on the size and complexity of the particular works, was suggested as likely to suit most circumstances. Either side, it was pointed out, might have the right to add to its numbers representatives of the particular departments affected by a question under discussion and not directly represented on the Committee.

Following the general principle laid down in the Whitley Committee's Report, the Ministry's suggestions provided that the

* A revised edition was published in March, 1920. The substance remained practically unchanged, but the form was somewhat altered.

members of the workers' side were to be trade union members elected in accordance with a scheme of constituencies and a method of election drawn up at each works to suit the particular conditions of the establishment.

" The representation," it was stated, " should normally be on the basis of departments, due allowance being made for the various sections of workers engaged in any department. In order that this may not sometimes necessitate a committee of unwieldly size, it is suggested that, for large or complex works, the employees' side of the Joint Committee should be appointed by and from a larger body of workers' representatives elected from the various departments. In large works it will probably be found desirable to establish departmental committees, with a Works Committee representative of all the departments chosen from the departmental committees. In such cases, the functions of the departmental committees will be confined to matters affecting the department only, whilst the Works Committee will consider questions affecting more than one department or the whole works. The workers' side of a departmental committee should be so elected as to give representation to each of the various sections of workers engaged in the department." In particular factories, where the employees were not strongly organised, or where the functions of the Works Committees were such as to require the presence of workers who were not organised, it might be found necessary to depart from the principle of Trade Union representation. " In these circumstances," the Ministry's Model Constitution suggested, " the shop stewards, or other trade union representatives in the works, should be consulted on all questions affecting district or national agreements. Any deviation from the general scheme should be adopted only after approval by the Joint Industrial Council on a consideration of the merits of the case."

Suggestions were also made by the Ministry in connection with various details of procedure. It was recommended that meetings of the Joint Committee should be held during working hours at regular intervals of either two or four weeks and that facilities should be provided for meetings of the workers' side of the Committee in the Works, normally after working hours or during meal hours. Suggestions were made as to agenda, minutes, etc., and the following functions were suggested by the Ministry as generally suitable for a Works Committee:

(1) The issue and revision of works rules.
(2) The distribution of working hours; breaks; time recording, etc.
(3) The payment of wages (time, form of pay ticket, etc.); explanation of methods of payment; the adjustment of piece prices, subject to district or national agreements; records of piece prices; deductions; etc.
(4) The settlement of grievances.
(5) Holiday arrangements.

(6) Questions of physical welfare (provision of meals, drinking water, lavatories and washing accommodation, cloakrooms, ventilation, heating and sanitation; accidents, safety appliances, first aid, ambulance; etc.).
(7) Questions of discipline and conduct as between management and workpeople (malingering; bullying; time keeping; publicity in regard to rules; supervision of notice boards; etc.).
(8) Terms of engagement of workpeople.
(9) The training of apprentices and young persons.
(10) Technical library; lectures on the technical and social aspects of the industry.
(11) Suggestions of improvements in method and organisation of work; the testing of suggestions.
(12) Investigation of circumstances tending to reduce efficiency or in any way to interfere with the satisfactory working of the factory.
(13) Collections (for clubs, charities, etc.).
(14) Entertainments and sports.
(15) The provision of facilities for the workers' side of the Joint Committee (or of a departmental committee, if any) to conduct its own work.

It was not intended that the foregoing list should be exhaustive or that it should include questions which arise only in some industries. Each National Joint Industrial Council, it was pointed out, would need to decide the powers to be vested in Works Committees. The fact that it was desirable for the National Councils to control the development of Works Committees and themselves to take the initiative in their formation was made clear by the Ministry of Labour throughout the whole development of the Whitley Scheme. While it was the desire of the Ministry to assist the parties concerned to the fullest extent, it was recognised that the divergences from the model scheme which would be necessary to meet the varying needs of different industries could only be known to those engaged therein, and that for any scheme to be successful it would require the full support of the Employers' Associations and Trade Unions concerned.

This was the point of view taken in a letter sent by the then Minister of Labour (the Rt. Hon. Sir Robert Horne, G.B.E., K.C., M.P.) to Joint Industrial Councils in July, 1919. Sir Robert urged upon the Councils the importance of completing the Whitley Scheme by the establishment of District Councils and Works Committees. He said " in my opinion the formation of a National Council, though, of course, desirable in itself, is only one stage towards the realisation of the complete organisation suggested by the Whitley Committee. Indeed, I doubt whether the spirit of co-operation between employers and workpeople can be sufficiently developed by the representatives of the Employers' organisations and Trade Unions sitting together in

Council, unless the principle of joint consultation and action is carried further by their association together in each district and in every works. The underlying idea of the Whitley Report is that the worker should have a real voice in determining the conditions of his everyday work, and this cannot be secured unless he can speak not only on matters affecting his industry as a whole, but also on those concerning the particular establishment in which he works."

The letter proceeded to quote from the Whitley Report paragraphs showing the importance attached by the Whitley Committee to this principle and continued: "I recognise that any steps that may be taken in the direction of setting up District Councils or Works Committees must be taken with the full approval of the National Councils, in order that their development may proceed on lines acceptable to employers and workpeople alike, and agreed by their respective organisations."

Sir Robert Horne concluded by a reference to Industrial Reports Nos. 2 and 4, and offered the services of special officers of the Ministry to any Council desiring to set up Works Committees.

The Ministry's policy in thus encouraging the formation of Works Committees was further explained at a conference convened by the Department at Manchester on 31st October, 1919. Over 200 representatives of Employers' Associations and Trade Unions connected with the principal industries carried on in the Manchester district attended. In the unavoidable absence of the Lord Mayor of Manchester, Mr. (now Sir) Edwin Stockton, President of the Manchester Chamber of Commerce, presided. The conference was addressed by the then Parliamentary Secretary of the Ministry of Labour (Mr. G. J. Wardle, C.H., M.P.), and a discussion of considerable interest followed. Mr. Wardle also addressed a similar conference of representatives of Employers' Associations and Trade Unions at which the Lord Mayor of Sheffield presided at Sheffield on 8th December, 1919. These conferences received considerable attention in the Press and thereby gave an opportunity of acquainting a wide public with the policy of the Government in regard to Works Committees.

In accordance with the policy thus indicated, no action was taken by the Ministry of Labour to set up Works Committees at individual works without the concurrence of the Joint Industrial Council concerned, which carried with it the concurrence of the constituent Employers' Associations and Trade Unions. Where a desire for such assistance was indicated by the Joint Industrial Council, the Department's officers assisted in the actual setting up of Works Committees at individual establishments. The presence of a neutral intermediary of this kind was frequently found to be advantageous during the negotiations—sometimes prolonged and intricate—between the various parties and interests concerned. Difficulties which were liable to arise from misunderstandings of the constitution and functions of a Works Committee were indeed to some extent removed in cases where

a Model Constitution had been approved by a Joint Industrial Council, but even then many difficulties usually remained which no model constitution could entirely overcome. In large works especially the claims of different departments, sections, grades, or crafts for representation on the Works Committee caused difficulties which were not always easy of solution. Moreover, the formation of a Works Committee on Whitley lines might well be prejudiced by the existence of a Committee constituted in some other manner. Not infrequently the most difficult task was to reconcile the divergent views of the employer and the workpeople as to the scope and composition of the Committee. Since, however, it was essential that there should be consultation and agreement between the two sides throughout and that one side should not merely attempt to impose a ready-made scheme on the other, the neutral advice and assistance provided by the officers of the Ministry of Labour were of considerable service.

The progress made by various Joint Industrial Councils and Interim Industrial Reconstruction Committees in the establishment of Works Committees in their respective industries is described below. A number of the Councils have adopted Model Constitutions for Works Committees and have taken steps to encourage their formation. In certain other cases the Councils, while approving generally the principle of Works Committees, have considered it desirable to leave its detailed application entirely to individual firms.

Match Manufacturing Industry.—The Joint Industrial Council for this industry was the first to adopt a scheme for Works Committees, a detailed constitution being agreed on 12th September, 1918. Amongst the subjects which were to be dealt with were methods of training and conditions of employment of young people entering the factory; time-keeping; methods by which the output of the factory might be increased or improvements in manufacture effected; the allocation of working hours; questions concerning mess-rooms, canteens, ventilation, sanitation, &c.; individual grievances and disputes; and specific questions of wages and piece rates for the factory concerned, subject to the current minimum rate fixed by the National Council. The Constitution required that there should be not less than five workers' representatives, who were to be elected by the workers in the factory concerned. Employers were urged to give every facility for the holding of meetings, and to make it possible and convenient for members of the Works Committee to consult the workers, where found necessary, in any section of the works.

In consequence of the recommendations of the National Council, Works Committees in accordance with the scheme were at once proceeded with, and at the fourth meeting of the Council, held on 20th November, 1918, it was reported that Committees had been established at practically all the factories concerned. Minutes of the various Works Committees are regularly received by the Joint Industrial Council.

China Clay.—At the first meeting of the Joint Industrial Council, held on 1st October, 1918, it was decided that Pit Committees should be established in each works. The employers were to be represented by three Pit Captains, one of whom would be the Captain of the pit (*i.e.*, the foreman), and two Captains from adjacent pits, with a view to securing uniformity. On the employees' side were to be three representatives. The Committees were to deal with minor difficulties which might arise during the course of employment. In the event of disagreement, the dispute was to be referred to the Joint Industrial Council.

Committees in accordance with this scheme have been generally established throughout the industry.

Pottery Industry.—The National Council for the Pottery Industry adopted Rules and a Constitution for Works Committees on 31st October, 1918. These were circulated to all works in the industry but the result was not encouraging owing to the absence of any means of explaining the scheme to individual employers and workpeople and adjusting it to suit the requirements of particular works. In September, 1919, at the request of the National Council, the Organisation Committee took steps for the purpose of ensuring the institution of Works Committees in such factories in the industry where they were not already established and a Sub-Committee was appointed to formulate model rules and regulations for the guidance of Works Committees, which were finally adopted by the Council in January, 1920. In this scheme Works Committees were to investigate grievances; consider questions relating to the health and safety of the workpeople; consult with the management on the interpretation of awards, orders and circulars; consider suggestions for improvements of methods or processes and assist in maintaining discipline and regulating conduct as between management and workpeople.

The Constitution provided that only Trade Unionists were to be eligible to serve on the Operatives' Section of the Committee and that each worker in the factory, irrespective of age, was to be entitled to vote in the election of representatives. Examples were given of the grouping of departments into constituencies and detailed suggestions were made as to procedure. A clause in the Constitution—inserted on the initiative of the Trade Union side of the National Council—provided that the operatives' representatives on the Committee, if piece workers, should be remunerated by the workers in each factory for loss of time when engaged on the business of the Works Committee.

At the request of the National Council, the assistance of officers of the Ministry of Labour was obtained and Committees were formed at about 100 works in the industry. A systematic and sustained effort is being continued to increase this number and quarterly Conferences of representatives of Works Committees are held, the object being to discuss the nature of subjects which might, in the interests of the management and to the benefit of the worker, with advantage be dealt with by Works Committees, and also to discuss points of interest and difficulty which have arisen

and results which have been achieved. Opinion has been generally expressed at these Conferences that through the efforts of the Works Committees really good improvements have been made, the relations between employers, the management and the operatives greatly improved and that the formation and existence of the Committee is well worth while.

Rubber Manufacture.—The Joint Industrial Council for the Rubber Manufacturing Industry adopted a Model Constitution for Works Committees on 27th November, 1918. The Committees were to consist of not more than 12 representatives of the management and, unless otherwise agreed by the parties, not more than 12 representatives of the employees engaged in one or other of the manufacturing operations of the India Rubber Trade. The employees' side of the Committees were to be elected by the various constituencies into which the Works were to be divided. The functions of the Committees were to be purely advisory or consultative and amongst suitable matters for discussion were to be welfare and social subjects, suggestions, working hours, regularity of employment, output, improvements in methods and machinery, discipline, grievances and disputes. It was provided that the employees' representatives were to be paid by the firm for the time occupied at meetings on the basis of the sum lost by them through their absence from work.

Works Committees in accordance with this scheme were established at most of the larger works in the industry.

Bobbin and Shuttle Making.—A Model Constitution for Works Committees was adopted by the Joint Industrial Council for this industry on 31st March, 1919. It was stated that the number of employees' representatives was to be not less than one and not more than fifteen, according to the size and complexity of the particular works. The initial number was to be fixed by the Executive Committee of the Joint Industrial Council, but was to be subject to variation by the Works Joint Committee as necessity might arise. The representatives were to be elected at a meeting specially convened for the purpose from members of Trade Unions employed in the respective works. The Trade Unions were mutually to decide, prior to the meeting, the proportion of representatives to be elected from each Union. Workpeople acting as representatives were to have leave of absence from their work without prejudice to their employment and without loss of wages on such days or portion thereof as they might be required to attend meetings of the Joint Committee. Meetings were to be held during working hours at regular intervals of eight weeks, but special meetings were to be called at 24 hours' notice on a request by either side.

Many of the works in this industry are too small for formally constituted Works Committees, but Committees in accordance with the scheme are in existence at the larger works.

Coir Mat and Matting.—The Joint Industrial Council for this industry adopted a model constitution for Works Committees on

7th July, 1919. The scheme closely followed the suggestions contained in Industrial Reports No. 4, but while the principle of the scheme has been generally adopted in the industry, it has been found that the majority of the works—which are largely in rural areas—are too small for formally constituted Works Committees.

Iron and Steel Wire Manufacture.—At a meeting held on 24th July, 1919, the Joint Industrial Council for the Iron and Steel Wire Manufacturing Industry resolved that Works Committees should be established throughout the industry on lines generally similar to the suggestions contained in Industrial Reports No. 4. The Council at the same time requested the Ministry of Labour to send an officer to visit the various works in order to explain the scheme in detail, to discuss any question of difficulty or doubt and to give whatever assistance was desired in the setting up of the Works Committees. The Chairman of the Council, Mr. (now Sir) Peter Rylands, in a circular letter announcing this decision to all the firms covered by the Council, urged that sympathetic consideration should be given to the formation of Works Committees. "These Committees," he said, "make it possible for the men to air small grievances and suggestions which might prove valuable in the interests of either side, and furnish a means of removing those little pin-pricks which, if undisclosed, very frequently develop into serious sores and occasion serious trouble. At the same time, it is the experience in many trades that these Works Committees afford an opportunity to the management to discuss questions relating to the economic position of the trade, and while helping the men to a better understanding of the industry in which they are engaged, also assists them in appreciating more fully the difficulties with which the management have to contend."

As a result of the strong recommendation made to individual firms by the Joint Industrial Council, Works Committees have been established, with the assistance of the Department, in a large number of the works in the industry.

Printing and Allied Trades.—The Joint Industrial Council for the Printing and Allied Trades of the United Kingdom approved suggested rules for Works Committees at a meeting held on 21st January, 1920. The Committees were to be known as Works Advisory Committees and were to consider and advise on matters appertaining to the works. They were to comprise the principals or directors as *ex-officio* members and an agreed number of managers, foremen, forewomen and workpeople to represent all the departments. The numbers having been agreed, each class or department was to nominate and ballot for its quota of representatives. The principal—who, when present, was to preside—could attend the meetings of the Committee when he so desired or was asked to attend, as circumstances suggested. It was not intended that the Committees were to be evenly divided into parties; each member would represent his side of the business

or branch of the trade and the decisions would be expressed as "unanimous," "two-thirds majority for," or "three-fourths majority against," &c., as the case might be. The Committees were to have no administrative or executive power, but were to advise for the consideration of the directors on such matters as affected the welfare of the house and its workers, including adjustments of staff, overtime and short time, scientific organisation, economy of production, prevention of loss and waste, general discipline and cleanliness, time-keeping, the extension of the business, prevention of disaffection and disputes, practical and technical education, sanitation, health of workers, sick club and additional aids, sports and other clubs, social meetings, &c. The formation of Works Advisory Committees on the lines indicated was taken in hand by the Joint Industrial Council and a number of Committees established.

Asbestos Industry.—In May, 1920, the Joint Industrial Council for this industry resolved that all firms in the industry should be visited with a view to (*a*) investigating the Works Committees already in existence, (*b*) reporting on those firms who had not established Works Committees, and (*c*) preparing a scheme based on Works Committees already in existence for the approval of the Joint Industrial Council. As the outcome of this decision all the works were visited—at the request of the Council—by an officer of the Ministry of Labour. The report of the investigation was considered at a subsequent meeting of the Council when it was decided that those firms without Works Committees should again be urged to establish them. Practically all the firms in this industry now have Works Committees.

Needle, Fishhook, Fishing Tackle and Allied Trades.—For over 18 months the subject of Works Committees had periodically been before the Joint Industrial Council but for a variety of reasons the Council had not been able to take action in the matter. With the assistance of the Ministry of Labour, however, a constitution was eventually drafted by a Sub-Committee of the Council and approved by them in May, 1920. This Constitution followed, in general lines, the suggestions contained in Industrial Reports No. 4. In order to meet the difficulty that a number of the works in the industry were possibly too small for formally constituted Works Committees, the Council suggested that in works employing less than 30 hands two employees should be elected annually to represent the workpeople. The scheme was brought to the notice of all concerned by the larger works being visited and by a series of meetings being held for the benefit of the smaller works in the various centres in which the industry is located. As a result, Works Committees have been established at practically all the larger works, and in the case of the numerous small firms in the trade a system has been established by which the Management consult duly elected representatives of the workpeople as necessity arises.

Flour Milling.—The Joint Industrial Council for this industry adopted a Model Constitution for Works Committees in May, 1920. Copies of this Constitution—which was generally based on the suggestions in Industrial Reports No. 4—were thereupon circulated to the various District Councils with a recommendation that Works Committees should be established at all mills. Action accordingly was taken in the various districts and in a number of cases the individual mills in the district were visited with the assistance of the Ministry of Labour in order to secure the adoption of the Model Constitution. It was found that a considerable number of mills already had some kind of Works Committee, mostly of an informal nature, and in the case of the larger mills these were readily reconstituted to conform to the Model Constitution of the Joint Industrial Council

In addition to the industries dealt with in the foregoing, a number of others may be mentioned in which Works Committees of one form or another are in existence or in which action has been taken towards their establishment. In the *Welsh Plate and Sheet Trade* and also in the *Spelter* and *Patent Fuel Trades* in South Wales, committees of the workpeople which meet the management when required exist at a number of works. Similar committees exist in the *Vehicle Building Industry* and in sections of the *Gold, Silver and Allied Trades.* Model Constitutions for Works Committees have been adopted in the *Glove* and the *Cocoa, Chocolate and Confectionery Manufacturing Industries:* in some important works in the latter group of trades, Works Committees are in existence. The Joint Industrial Councils for *Electricity Supply and Local Authorities' Non-Trading Services* (*Manual Workers*) (*England and Wales*) have adopted Model Constitutions for Works Committees and have circulated them to the District Councils. The Joint Industrial Councils for *Gas* and *Tramways* have taken similar action and have also circulated the Model Constitutions to the undertakings and to the Trade Unions concerned.

The industries to which reference has so far been made are industries in which Joint Industrial Councils or Interim Industrial Reconstruction Committees have been established. Works Committees also exist, however, in a number of other industries and particularly so in the Engineering industry. An agreement in this connection was made in May, 1919, between the Engineering and the National Employers' Federations on the one part and the Amalgamated Society of Engineers (now the Amalgamated Engineering Union) and other Trade Unions connected with the industry on the other part, which regulated the appointment and functions of Shop Stewards and Works Committees in engineering establishments. The agreement, provided, *inter alia*, that a Works Committee might be set up in each establishment, consisting of not more than seven representatives of the management and not more than seven shop stewards who should be representatives of the various classes of workpeople employed

in the establishment. The shop stewards were to be subject to the control of the Trade Unions and were to be nominated and elected to the Works Committee by ballot of the workpeople who were members of the Trade Unions which were parties to the agreement, employed in the establishment. Works Committees in accordance with this scheme exist at a number of engineering works.

The Pit Committees which are widely established in the Coal Mining Industry are in a way comparable with the Workers' Side of a Works Committee. The main point of difference is that they do not meet the Management at regular periods but only when either (1) the Workers wish to express a grievance to the Management, or (2) when the Management wish to consult the Workers on some specific matter.

The setting up of Works Committees in the Government's own industrial establishments had, as has been described in Chapter IV., reached in March, 1919, the stage that a Draft Constitution for such Committees was being prepared by a Provisional Committee of the Departments and the Trade Unions concerned. This Draft Constitution followed in a number of respects the Ministry of Labour's suggestions in Industrial Reports No. 4 to which reference has frequently been made in this chapter. While intended to be generally applicable to Government Industrial Establishments, it was necessarily subject to such amendments in detail as the various Departmental Joint Industrial Councils—which had still to be established—might consider to be required. The scheme as outlined provided for separate Joint Committees for (*a*) shop, (*b*) department, (*c*) works or yard and also for the treatment of trade questions separately from questions of a more general character. The management sides of the Committees were to include the official in charge of the shop, department, works or yard as the case might be, together with responsible subordinates of these officers.

The employees' sides of the Shop Committees were to include at least one representative of each trade union having members employed in the shop, the method of appointment being a matter for the decision of the trade union concerned. The employees' sides of the Department Committees were to be appointed from among the representatives of the Shop Committees in the Department. It was to be essential that each Union having members employed in the department should be represented upon the Department Committee and as far as practicable each shop committee also was to be represented on the Department Committee. The appointment of representatives on the employees' side of the Works Committee was to be made in a similar manner.

The objects, functions and procedure of the Shop, Department and Works Committees, as outlined in the Draft Constitution, were to be similar to those suggested by the Ministry of Labour in Industrial Reports No. 4. Matters ordinarily regarded as exclusively trade questions, such as wages, etc., were not to

be dealt with on those Committees. Such questions were to be taken up with the management of the shop by the shop representative or steward for the particular Trade Union, or, where a body of Trade Unions were in the habit of negotiating together, by a group of shop representatives or stewards. Failing a settlement of such matters they were to be referred to the appropriate Trade Committee for the Department. The composition of this Trade Committee and the subsequent procedure were indicated as follows:

> "This Trade Committee shall be composed of the representatives on the Department Committee of the Trade Union concerned, or of groups of Trade Unions as the case may be. They or their Secretary shall negotiate trade questions with the Management of the Department. Failing settlement at this stage, the matter shall be taken up by the Trade Committee (or its Secretary) of the Trade Union or Unions concerned for the whole of the Works, acting in Joint Committee with the Management. If the question in dispute cannot be settled at this stage, it shall be open for either side to request that it should be referred to the Trade Joint Council. It shall be open at any stage of the negotiations for the Trade Union representatives to co-opt additional representatives on the Trade Committee."

The detailed application of the foregoing scheme to Government Industrial Establishments was, as has been explained, a matter for the various Departmental Joint Industrial Councils to take in hand on their formation. In the case of the Admiralty establishments a constitution for Shop, Department and Yard Committees was approved by the Admiralty Industrial Council on 31st October, 1919, and the scheme, which closely corresponded to the Draft Constitution already described, was thereupon put into operation throughout the Royal Dockyards and other naval establishments. The War Department Industrial Council—with which was merged the Ministry of Munitions Departmental Council—adopted a constitution for Shop, Department and Works Committees on 15th June, 1920. This scheme also closely followed the general Draft Constitution, but although Committees have now been formed at a considerable number of establishments, the general progress was at first somewhat slower than in the case of most Government Departments on account of special and difficult problems arising from the change over from war to peace conditions. The Air Ministry Industrial Council adopted a Constitution—also following the general scheme—on 13th April, 1920, and Works Committees were thereupon formed at the various aircraft establishments and depôts. A Report presented to the first annual meeting of the Air Ministry Industrial Council in May, 1921, states: "The Minutes of these Committees (*i.e.*, Works Committees) are regularly forwarded for the information of the members of the Council and afford evidence that the Committees

are serving a useful function in bringing together the management and the employees for the regular discussion of matters of common interest." H.M. Stationery Office Industrial Council adopted a constitution for Works Committees on the lines of the general scheme on 25th October, 1920, and Committees were shortly afterwards set up in all the establishments under H.M. Stationery Office. In the case of H.M. Office of Works, the Departmental Industrial Council adopted a Constitution for Shop and Central Committees in the London Engineering Establishments of the Department, on 17th December, 1919. The Central Committee, which corresponded to the Works Committees of the general scheme, together with the Shop Committees, were then formed. A similar Central Committee for the London Building Maintenance Depôts and another for the Supplies Division establishments under the Department in the London area, were subsequently formed and Shop Committees established. The following extract from the first Annual Report adopted by H.M. Office of Works Industrial Council on 2nd September, 1920, may be quoted:

> "The meetings of the Local Committees have been marked by very frank discussion on both sides, and many points of difficulty and dissatisfaction have been cleared up. Machinery for dealing with starting, transferring and dispensing with labour has been improvised and the following subjects appertaining to conditions of employment, etc., have among others been discussed: grading and promotion, leave, allowances, time keeping, working hours and overtime."

In reviewing the progress generally of Works Committees, it is not possible to estimate the total number in existence. Even those Joint Industrial Councils which have taken action in the matter have as a rule no figures which would show the number of Works Committees in their respective industries. Moreover, many firms have formed Works Committees in industries in which the Joint Industrial Councils have taken no action, and, as already stated, Works Committees exist in industries in which Joint Industrial Councils have not been established. It is probable, however, that considerably over 1,000 Works Committees have been formed.

The Ministry of Labour has in the ordinary course no direct official relations with Works Committees which have been established. Information as to their activities, therefore, is not as a rule available. Enough has been seen, however, to show that in addition to such useful activities as the removal of grievances, the consideration of Safety and Welfare questions, etc., many Works Committees are capable of valuable constructive work in the improvement of processes and other matters of an industrial character. The following are quoted from examples which have come to the notice of the Department:—

A firm makes a practice of informing the Works Committee of a proposed appointment of a foreman and of asking for com-

ments or other nominations which are discussed, the firm retaining the right of appointment.

A Works Committee carried out an investigation into foundry costs and presented a memorandum on methods of production which the works manager described as the best memorandum on the subject he had seen.

A Works Committee administers a system of fines for bad timekeeping, the funds being used for charitable purposes.

It was stated that at a works no dismissal could be made by a foreman, manager or director until the proposal had come before the Works Committee.

A Works Committee made several useful suggestions as to time saving on a process in the works, and these were carried out by the management.

A firm with a Works Committee acquired a works in another town at which there was also a Works Committee. Each Committee visited the other works and made useful suggestions which were adopted by the firm.

A Works Committee appointed a sub-committee to arrange for the provision of first aid stations in the works. Another sub-committee had been appointed to deal with irregular attendance.

A Works Committee brought about better timekeeping. In 6 months the hours lost were reduced from 2.4 to 1.6 per week per man.

A Works Committee is stated to have helped the management in many problems of output.

A Works Committee appointed a Fatigue Research Committee to investigate fatigue problems in the industry.

A Works Committee dealt with cases of bad timekeeping, failure to comply with safety regulations, etc., and issued official warnings and authorised suspensions.

A Works Committee arranged that an output chart should be put up at each machine showing the rise and fall of the weekly output, for the information of the workers on the machine.

Owing to a works being on the border line between two Urban areas, the authorities of both towns had refused, in spite of repeated applications, to furnish an adequate supply of fresh water. On the Works Committee taking it up, the matter was satisfactorily settled.

A firm complained of the amount of scrap material and considered that more care on the part of employees would lessen the percentage of scrap to output. An employee on the Works Committee pointed out that for certain technical reasons the remedy lay with the firm and offered to try an experiment which had been successful in another works. The management agreed to this with satisfactory results.

A Works Committee conducted an investigation into the system of issuing tools and recommended an improved system which the management adopted. The same Committee induced the local Tramway Company to put on an extra tram in the morning

for the convenience of employees coming to work and arranged with the Railway Company for a train to be run 5 minutes earlier. The Committee also arranged lectures on economic subjects.

At the instance of a Works Committee working hours were reduced from 47 to 44 per week; the output had considerably increased since the reduction of hours. The Committee was invited to suggest a scheme for the installation of new machinery and its recommendations were adopted with good results.

A Works Committee appointed a sub-committee to investigate the material used and was able to effect improvements. The Committee also carried out suggestions for improving ventilation, took over the supervision of the mess-room and appointed a sub-committee to deal with suggestions for improving certain plant.

At the instance of a Works Committee a loading bank was built with the result that a great deal of time and labour have been saved.

A Works Committee at a food factory gave attention to the question of stealing which was a prevalent evil. By their strong action this was reduced to a negligible minimum. All dismissals were stated to be dealt with by this Committee.

The foregoing examples of the activities of Works Committees show that in many cases these bodies have become an important factor in the organisation and administration of the works with which they are concerned. It has been found not only that they serve as an effective substitute in the individual establishment for the no longer direct relations between employers and workpeople, but that they provide also in many cases a means of meeting the demand of workpeople for an insight into the economic conditions of the industry and of the particular establishment with which they are connected. It seems probable, therefore, that to an increasing extent Works Committees will tend as a matter of course to deal not merely with questions—important as these are—affecting the condition of the works, but that in some industries and establishments at least they will be concerned with the processes of the work and possibly with the cost of production. The modern detailed study of industrial processes and costings opens up wide possibilities to Works Committees and there is a very fruitful field for their co-operation in skilled investigations into efficiency of technical processes from the standpoint of health and the diminishing of fatigue. Difficult as in many cases such questions are, Works Committees at least ensure the confidence between employers and workpeople without which discussion of the problem involved is impossible.

That this view is now increasingly accepted is largely the outcome of the Whitley Report, which in its insistence that Works Committees should always keep in the foreground the idea of constructive co-operation in the improvement of the industries to which they belong, has led to the development of many

Works Committees into more than mere machinery for the removal of grievances. Nevertheless, in the latter respect many Works Committees have done good service. By affording a channel for the ventilation and investigation of grievances at an early stage and before they become acute, Works Committees have frequently been the means of preventing industrial disputes. In this respect alone Works Committees have proved an essential factor of that " permanent improvement in the relations between employers and employed " which the Whitley Scheme was designed to secure, and upon which further constructive work in industry must rest.

PART III.

THE WORK OF THE COUNCILS.

CHAPTER I.

Procedure of Councils.

Before proceeding to a detailed review of the work of the Joint Industrial Councils, some account may be given of their general business procedure. The size of the Councils varies considerably in accordance with the scope of the industries concerned and the variety of organisations represented on either side. Among the largest of the councils may be mentioned :—*Building* (136 members);* *Printing* (72); *Welsh Plate and Sheet* (64); *Wool and Allied Textile* (62); *Pottery* (60); and *Civil Service* (54). Among the smallest Councils in point of membership are *Gas Mantles* and *Cement* (14). The average membership is about 24. In practically all cases Council meetings are well attended.

The majority of the Councils have separate secretaries for the workpeople's and the employers' sides, the secretaries being in the majority of cases officials of the various organisations, acting in a part-time capacity. Honoraria are usually paid to the secretaries by the Councils; and in one case (*Pottery*) the Council retains a full-time secretary. Owing to the differences between various Councils in respect of the frequency of meetings, office accommodation, &c., &c., no general estimate is possible of the average annual cost of these bodies. In connection with the secretarial work and the general business of the Councils, it must be borne in mind that the whole of the expenses is borne by the organisations represented and no contribution is made by the State.

Practically all the Councils have appointed Executive or General Purposes Committees varying in size from 3 to 10 a side; of these Committees, the officers of the Council are generally ex-officio members. In the case of the larger Councils, the functions of such Committees are of very considerable importance and much depends upon their personnel. The work of the Committees includes in most cases the preparation of agenda for Council meetings, the collection of information necessary for the consideration of specific items, the supervision of accounts and general correspondence, and the preparation of Rules and Standing Orders. In some cases (*e.g.*, *Pottery*, *Printing*, *Wool*) these Committees take executive action upon suitable matters or in urgent cases, subject to the confirmation of the Council, and in the *Pottery* and *Printing* industries the Committees are empowered to co-opt additional members in a consultative capacity.

* The National Federation of Building Trades Employers withdrew from the Council at the end of June, 1922.

For the consideration of other matters within the functions of the Councils, Committees are generally appointed, as for example, in the case of the *Pottery* Council, the Research, Inventions, and Designs Committee; the Wages and Conditions Committee; the Organisation Committee; the Statistical and Enquiries Committee; the Apprenticeship Committee and the National Trade Advisory Committee, the latter of which deals with the training and absorption of disabled ex-service men.

The normal rule for Council meetings is that such meetings are held not less frequently than once a quarter. During the last three years, the number of meetings of Joint Industrial Councils and Interim Industrial Reconstruction Committees reported to the Ministry of Labour was as follows :—

	1920	1921	1922
Joint Industrial Councils	308	291	201
Interim Industrial Reconstruction Committees...	64	55	25

In addition, there was a large number of meetings of District Councils and of various Committees.

Wages, Hours and Conditions of Employment.

The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying and adjusting wages, was one of the functions assigned by the Whitley Committee to the Joint Councils.

The regular consideration of wages, hours and working conditions is included in the functions of nearly all the Joint Industrial Councils, though in the Building, Boot and Shoe, Metallic Bedsteads, Printing and Paper Making industries the existing joint machinery for the consideration of these subjects was continued, such questions in these cases not coming within the purview of the Joint Industrial Council. In the three last-named industries, however, provision is made by which the Joint Industrial Councils undertake the consideration of these matters in cases where other methods of negotiation have proved unable to produce an agreed settlement (*vide* Part III., Chapter II). A few other Councils (*e.g.*, Heating and Domestic Engineering), while including the consideration of wages within their functions, have in practice refrained from dealing with this subject.

Collective bargaining had already existed in most of the industries for which Joint Industrial Councils were established, but as indicated in Part II, Chapter I, the adoption of the Whitley Scheme had two important effects: first, it widened and clarified the basis of collective bargaining; and, secondly, it instituted permanent and systematic means for the review of wages and working conditions. The period covered by this Report has been one of considerable difficulty in regard to the settlement of wages, and the inclusion in the functions of Joint Industrial Councils of such matters as the collection of statistical information relative

to the position of the industry has made it possible for action to be taken which, at times, materially assisted each side of a Council in appreciating the position of the other side.

It is not proposed in this Chapter to give details of all the wage agreements arrived at by the Joint Industrial Councils. Such particulars are published periodically in the *Labour Gazette*,* and further information as to the actual wage rates in the various industries is given in the Reports on Standard Time Rates of Wages and Hours of Labour prepared by the Ministry of Labour's Intelligence and Statistics Department (*e.g.*, Cmd. 1253 of 1921).

In the abnormal circumstances of the period under review, and especially of the post-war period, it has been in connection with wages and hours of employment that the most important difficulties in industry have arisen and the activities of the Councils have been to a very large extent taken up in the consideration of these questions.

In a large number of Joint Industrial Councils and Reconstruction Committees, one of the earliest tasks undertaken was the standardisation of wage rates throughout the industry. Such settlement of minimum or standard rates of wages was arrived at or approved by the joint bodies in the following industries (apart from public utility and municipal undertakings which are dealt with later in the chapter) namely :—

Artificial Stone.
Asbestos.
Baking.
Bobbin and Shuttle Making.
China Clay.
Cocoa, Chocolate and Sugar Confectionery.
Coir Mat and Matting.
Cooperage.
Electrical Cable Making.
Electrical Contracting.
Flour Milling.
Furniture Warehousing.
Gas Mantles.
Glove Manufacture.
Heating and Domestic Engineering.
Match Manufacture.
Needles and Fish-hooks.
Optical Instruments.
Paint, Colour and Varnish.
Sawmilling.
Soap and Candles.
Vehicle Building.
Wrought Hollow-ware.

In addition to the foregoing cases, general adjustments of wages have from time to time been made by the great majority of Joint Industrial Councils.

As examples of the procedure involved in national settlements of wages and working conditions, the following cases may be referred to. In the *Flour Milling* industry, during the early part of 1919 the Joint Industrial Council worked out the first standard system of wage rates for the industry. Three classes of mills were defined according to locality; namely, Class A, those in large towns and principal ports; Class B, those in secondary urban areas; Class C, those in small country towns or rural areas. Within these areas, three grades of establishments were defined according to the roller capacity of the mills, and standard rates of

* A monthly journal prepared and edited at the offices of the Ministry of Labour and published by H.M. Stationery Office.

wages were prescribed for certain classes of labour. The duty of classifying the individual mills in the various districts was carried out by the District Committees of the National Council with a right of appeal to the Executive Committee of the National Council against any individual decision. As a result of the first year's working of this scheme, the geographical basis of the classification was altered from three to five classes of district and certain adjustments were made as to the grading of labour.

In the *Electrical Contracting* industry, a scheme of area classification was adopted by the Joint Industrial Council in October, 1919, the basis in this case being specified groups of towns and districts in which, at that date, London and Scotland were not included. The system has subsequently been revised by the inclusion of London and the re-allocation of certain other areas, and wage adjustments have been made in accordance with the new basis.

The principle of area classification has been adopted in various forms by several other Joint Industrial Councils and Interim Industrial Reconstruction Committees, while at the same time, the majority of these Councils have had to deal with the grading of labour. An excellent example of such grading is furnished by the schedules and rates adopted in 1919 and 1920 for skilled metal workers and glass workers by the *Optical Instruments* Interim Industrial Reconstruction Committee. In these schedules, the separate processes for which the various rates are payable have been clearly defined by mutual consent. In addition, a schedule of operations or processes on which women and unskilled labour may be employed has been agreed upon and scales of minimum rates for women and youths have been determined. In many other cases, the grading of labour has been accomplished on somewhat similar lines.

Sliding scales under which wages are regulated in accordance with variations in the cost of living, have been put into practice by the Joint Industrial Councils or Interim Reconstruction Committees in the following industries :—

Artificial Stone.
Asbestos.
Baking (Scotland).*
Basket Making (Basford District).
Carpets.
Civil Service (Administrative and Legal Departments).
Cooperage.
Electrical Cable-Making.
Electrical Contracting.
Furniture Warehousing and Removing.
Hosiery (England).
Lock, Latch and Key Manufacture.
Needles, Fish Hooks and Fishing Tackle.
Paper Making.
Quarrying (Freestone Section—Lancashire and Yorkshire).*
Seed Crushing.
Wool and Allied Textiles.*

* Sliding scale adjustment since abandoned.

The following may be cited as examples :

In the *Wool and Allied Textiles* industry of the West Riding a comprehensive series of wage agreements was concluded during the autumn of 1919, between representatives of the employers and of the trade unions concerned, and ratified by the Joint Industrial Council. The general basis of agreement for practically all sections was a 10 per cent. (or an equivalent money amount) advance on basic wages as from the pay-day in the week ending 8th August, 1919, and that from the first pay-day in September, 1919, the cost-of-living wage based on the cost-of-living index figure for August, 1919, namely, 115 per cent. should be paid to time-workers, with a maximum payment of 34*s.* 6*d.*, with smaller percentages in the case of piece-workers. A sliding scale, based on the cost-of-living index figure, computed in groups of 10 points, was drawn up and adopted by the Council. The maximum to be paid to time-workers in accordance with this scale was as follows :—

Cost-of-Living Index Figure	*Cost-of-Living Wage.*	*Maximum.* s. d.
125	125 parts	37 6
115	115 ,,	34 6
105	105 ,,	31 6
95	95 ,,	28 6
85	85 ,,	25 6

and so on in proportion up or down, the cost-of-living wage of other workpeople to be adjusted so as to maintain the existing proportionate relation of the cost-of-living wage of time-workers to that of other grades ; namely, for 100 per cent. to time-workers, 85 per cent. to female piece-workers, 80 per cent. to male piece-workers, and 60 per cent. to pressers and blanket raisers. It was agreed that these terms should be maintained throughout the period ending July 31st, 1920.

A subsequent adjustment was made in 1920 embodying a further advance of 5 per cent. in the base-rates on which the advance of 10 per cent. was given in 1919, cost-of-living wage being made payable on the total 15 per cent. The various maxima payable under the cost-of-living sliding scale were revised on the principle that, while on the lower base-rates the full cost-of-living percentage should be payable, above certain specified limits the cost-of-living wage should be calculated on 80 per cent. only of the base rate. This may be regarded as a practical attempt to meet the varying economic incidence, at different wage levels, of an enhanced cost of living, with due regard to the circumstances of the industry.

During the operation of this agreement, adjustments in cost-of-living wages were repeatedly made by a Committee of the Joint Industrial Council and loyally observed throughout the industry. In November, 1920, the cost-of-living index rose to 176, and fell during the following months to 128 on May 1st, 1921, reductions of 10 per cent. in cost-of-living wages being thus necessitated for four months in succession. During the

latter period, negotiations were inaugurated on the Joint Industrial Council for a new wage agreement to replace the 1920 agreement which expired on May 31st, 1921. These negotiations resulted in the Joint Industrial Council agreeing to recommend a reduction in the addition to basis rates from 15 per cent. to 10 per cent., together with cost-of-living wage based on an assumed index figure of 105, no further reduction to be made until the figure fell to 95. These terms were accepted both by the employers and trade unions, and a new wages agreement to hold until June 3rd, 1922, was concluded.

At the termination of this agreement, a revised agreement was arrived at whereby the cost of living method of adjusting wages was discontinued and the percentage addition to the basis rates of timeworkers was fixed at 75 per cent. from June to December, 1922, and at 72½ per cent. from December, 1922, to June, 1923.

The above negotiations may reasonably be regarded as a case in which the existence of a Joint Industrial Council has rendered possible agreed national settlements, which might not otherwise have been reached, of intricate wage questions; and the advantage to the textile industry generally of such a stabilisation of wage-rates as has been briefly outlined above is self-evident.

The Joint Industrial Council for the *Carpet* industry came to an agreement in January, 1920, for a variation of wages according to a cost-of-living sliding scale. The agreement provided that increases on base rates of 110 per cent. to time-workers and of 120 per cent. to piece-workers should be paid when the Ministry of Labour index figure was 125. For each variation of 10 points in the index figure 10 per cent. on base-rates was added or deducted. In March, 1921, the agreement was revised, at the instance of the labour representatives, to provide that, when the index number reached 170, the increase on base-rates should be 160 per cent. for time workers and 170 per cent. for piece-workers. When it reached 160, the percentage additions and base-rates should be 150 and 160 respectively, and so on. The changes take effect when the index number shows the necessary variation.

Discussions on the Joint Industrial Council for the *Hosiery* industry (England) in the early months of 1921, on proposals of the employers for a reduction in the war bonus, resulted in an agreement for the alteration of the bonus under a cost-of-living sliding scale. It was agreed that the existing bonus of 1*s.* 3*d.* in the shilling on earnings should be considered as equivalent to an index figure of 150 per cent. above pre-war cost-of-living and be subject to a reduction of 1*d.* when the index figure fell to 145, and a further 1*d.* when it fell to 130. For every further drop of 10 points below 130 a reduction of 1*d.* was to be made. The reductions in wages take effect from the pay day in the week following the publication of the *Labour Gazette*.

The work of Joint Industrial Councils in the systemisation of wage rates and working conditions in the industries in which municipal authorities are concerned, has presented special features of considerable interest and no little difficulty. The

effort of the Councils to reach standard systems has had to overcome a range of variations both in local practice and in the individual position of the various constituent undertakings, similar to, but on the whole more marked than that prevailing in private industry. These considerations, among others determined the National Councils for the Electricity Supply, Gas, and Waterworks industries and Local Authorities' Non-Trading Services (Manual Workers) to refer the settlements of wage rates to their respective District, Regional, or Provincial Councils. The National Councils for the Electricity Supply and Gas industries have, however, dealt nationally with bonuses; and these Councils and the National Councils for the Tramways and Waterworks industries have drawn up national sliding scale agreements, based upon the cost of living index figure, for the periodical adjustment of wages.

In the *Waterworks* industry, it became apparent in August, 1919, that no national settlement of wages by the Joint Industrial Council was immediately practicable. Eleven District Councils were formed, upon the initiative of the National Council, nearly all of which, at an early stage, undertook the consideration of the question of fixing appropriate minimum rates of wages within their respective areas. By a decision of the National Council these bodies were given executive power in regard to the settlement of wage rates in their own area, subject to a right of veto by the National Council. The principle adopted by a number of the District Councils has been a classification of undertakings into groups (generally three or four in number) according to the population of the town or district in which they are situated, and the various classes of labour concerned in waterworks undertakings have been scheduled with appropriate rates of pay, according to the area classification of the undertakings. The difficulties attendant on this process may be gathered from the fact that in the area covered by one of the District Councils, viz., the Midland District, comprising the counties of Shropshire, Staffordshire, Derbyshire, Warwickshire, Worcestershire, Nottinghamshire, Leicestershire, Herefordshire, Rutlandshire and Northamptonshire, there were :

32 Municipal Corporations,
49 Urban District Councils,
55 Rural District Councils,
8 Water Boards and Joint Committees,
24 Companies,

engaged in water supply; while in some cases the number of separate grades of labour defined by the District Council is as high as 19.

Hours, overtime and holidays in the industry have been the subject of recommendations by the National Council.

The Joint Industrial Council for *Local Authorities Non-Trading Services (Manual Workers) (England and Wales)* has instituted 18 Provincial Councils to which, as in the Waterworks

industry, the question of fixing appropriate minimum rates of wages was referred by the National Council. In this case also, a basis of classification of authorities has generally been adopted in accordance with population—the number of such classes varying in different regions from three to six. The question of defining the various grades of labour has been especially complex, owing to the number of distinct grades of workmen employed; while the variety of rates and other conditions which previously prevailed as between authority and authority has presented the Provincial Councils with considerable difficulties.

Most of the Provincial Councils succeeded in arriving at joint agreements on wages, generally upon a basis of zoning and grading, and also subsequently agreed upon cost-of-living sliding scales for the periodical adjustment of wages. Many difficulties have, however, attended the carrying out of agreements by Local Authorities, and in some cases the Provincial Councils have ceased to function effectively.

Hours, overtime and holidays have been the subject of recommendations by the National Council.

In the *Gas* industry, the National Joint Industrial Council recommended to its Regional Councils the following principles (quoted from Second Annual Report of the Council) for procedure in zoning and grading undertakings:—

" (1) The basic rates of pay should alone be considered at this juncture.

(2) Each Regional Gas Industrial Council shall decide the number of zones for its own particular Region. The number of such zones will depend upon the character of the District in question.

If thought necessary by the Region, Undertakings could be divided into categories, 'A,' 'B,' 'C,' 'D' and 'E.' The following are illustrations of these categories:—

Examples of (A) might be Industrial Undertakings.

Examples of (B) might be Commercial or Semi-Industrial Undertakings.

Examples of (C) might be Residential Undertakings.

Examples of (D) might be Undertakings in Agricultural Towns.

Examples of (E) might be Rural Village Undertakings.

It is to be expressly understood that Regions need not have five grades, but might only adopt two, three, or four grades, to meet the requirements of the case.

If Regional Councils so decided, they could agree upon sub-division of the above categories.

(3) In deciding into which category any particular Undertaking should fall, regard should be had to:—

(A) Pre-war basic rate.

(B) Any local conditions, including the rates now prevailing generally in the district.

(C) Generally all the circumstances of the case, including the output of gas from the Undertaking in question.

(4) The question of grading of different classes of employees may be dealt with by Regional Councils if thought desirable."

Each of the ten Regional Councils reached agreement upon a zoning and grading scheme, fixing wages for the different classes of undertaking and employees within its area.

In the *Electricity Supply* industry, the National Joint Industrial Council referred the subjects of zoning and grading the undertakings and the fixing of rates of pay to the respective thirteen District Councils. All the District Councils reached agreements upon these subjects, while, as already stated, the National Council has dealt nationally with bonuses, and has also drawn up a national cost-of-living sliding scale for the periodical adjustment of wages. Each of the District Councils also adopted a schedule of working conditions for its area.

For the purpose of dealing with salaries of the technical staffs employed in the industry, a *National Joint Board* was established in December, 1919, and it was decided that the Board should be so composed as to enable it to deal not only with the claims of the Electrical Power Engineers' Association, but also with the claims of the Electricity Supply Commercial Association, as representing the commercial and clerical staffs. In May, 1920, the National Joint Board issued a schedule of salaries and conditions of employment for the technical staffs employed in undertakings having a plant capacity of 1,000 k.w. or over, and this schedule was adopted by practically the whole of the undertakings in the industry. In May, 1920, the Board also adopted a schedule of salaries for commercial and clerical staffs, applicable to all electricity supply undertakings, but in 1921 the employers' side of the Board decided that they could not agree to the Board continuing to deal with matters affecting the commercial and clerical staffs, and in October of that year the Electricity Supply Commercial Association resigned from the Board.

In the *Tramway* industry the Joint Industrial Council held a special meeting on 26th February, 1920, to consider a claim for a general advance of wages of 10*s*. per week submitted by the National Transport Workers' Federation and appointed a Sub-Committee to consider the facts with regard to the cost of living; the bonuses then paid to (*a*) employees in the non-industrial departments of the public service administered by Local Authorities; and (*b*) other industries of a similar character; the general financial position of the Tramway industry.

Following the presentation of the report of this Sub-Committee to the Council on 11th March, negotiations proceeded resulting in a settlement of the claim being reached at a meeting of the Council on 31st March. The settlement gave an increase in the bonus of 5*s*. per week as from 29th March, with a further increase of 1*s*.

from the beginning of the following June. Some difficulty was experienced by the Council in securing the general acceptance of this settlement, and its application was made possible only by the reference, as an urgent matter, of the question of grading the undertakings for the purposes of revision of basic rates, to the 9 District Councils. Advances in basic rates, ranging from 1s. to 4*s*. per week dated back to 29th March, were made in regard to most of the undertakings during June, 1920, with the approval of the National Council.

In the following October, a further application was made by the National Transport Workers' Federation to the Joint Industrial Council for a general advance of 12*s*. weekly to adult workers on the ground of the increase in the cost of living. As the Council were unable to reach an agreement, a deadlock arose, and in the circumstances the Minister of Labour decided to appoint a Court of Inquiry in accordance with Part II of the Industrial Courts Act, 1919. The Court held public sittings at intervals from 26th January to 18th February, 1921, during which the respective arguments for the employees, for the municipal authorities, for the company owned undertakings and for the Scottish section of the industry were submitted.

The report of the Court of Inquiry, issued on 25th February, 1921, contained an account of the negotiations on the Joint Industrial Council which preceded the inquiry and an analysis of the evidence submitted. In their general remarks on the subject matter of the inquiry, the Court said as follows :—

> "We have been deeply impressed by the immense value of the work done by the Industrial Council for the Tramway industry in which both parties have participated. Industrial Councils appear to have great possibilities for the betterment of the workpeople and the advancement of industries as a whole. . . . During the course of the inquiry we were pleased to see that the reasonable way in which the case of the employees was put forward was met by the representatives of the undertakings in a conciliatory and friendly spirit. There was no belittling of the loyalty and good services of the men of all grades, which were fully appreciated."

The Court recommended *inter alia* that the present wages standard should be maintained both as regards municipalities and companies until 31st December, 1921, and that the Industrial Council should consider the question of standardisation in the near future and examine the circumstances of the lower-paid grades with a view to adjusting their conditions on a more satisfactory basis.

The Report was referred by the Minister of Labour to the Joint Industrial Council, which after consideration thereof appointed a special Joint Committee of the Council to consider the recommendations. On 9th June, 1921, the Joint Committee recommended that the existing rates of wages should be maintained until the beginning of the first full pay period in August, and that thereafter wages should rise or fall at the rate of 1*s*. per week for each

five full points rise or fall in the *Labour Gazette* index number, commencing from the figure of 135 per cent. over the August, 1914, cost of living figure, the adjustment to be made quarterly and to be determined by the *Labour Gazette* index figure for the preceding month. It was further recommended that similar adjustments be made in the case of employees under 18 years of age at the rate of 6*d*. per week for each complete five points variation. The Committee also recommended that such agreements should be terminable by three months' notice, but that no such notice should be given before 31st December, 1921. The Report of the Committee was adopted by the Council and the Committee was instructed to proceed with the consideration of the other recommendations of the Court. On 28th September, 1922, after protracted negotiations, the National Joint Industrial Council modified the above-described sliding scale by the substitution of four points for five as the variation in the index number required to determine a variation of 1*s*. per week in wages.

Concurrently with the settlement of wage questions, adjustments in the *hours of employment* have been made, or approved, by many Joint Industrial Councils, and a standard working week involving in the majority of cases a reduction of working time, has been determined by the joint bodies in the following industries. The position of special classes of workers whose normal working week is less than the standard is generally safeguarded.

Asbestos	(48 hour).
Baking (Scotland) ...	(44 hour).*
China Clay	(42 hour).
Clay	(48 hour).
Coir Matting	(48 hour).
Elastic Webbing	(48 hour).
Electrical Contracting ...	(47 hour).
Electricity Supply ...	(47 hour; day workers; 48 hour, shift workers) determined by District Councils.
Flour Milling	(47 hour day workers, 44 hour shift workers).
Gas Mantles	(48 hour).
Glove Manufacture ...	(47 hours, males; 44 hours, females).
Hosiery (England) ...	(48 hour).
Hosiery (Scotland) ...	(48 hour).
Leather Goods	(48 hour).
Local Authorities' Non-Trading Services (Manual Workers) (England and Wales) ...	(47 hour).
Match Manufacture ...	(47 hour).
Optical Instruments ...	(47 hour).
Packing Case Making ...	(47 hour).
Paint, Colour and Varnish	(47 hour).

* Normal working week subsequently amended as a result of arbitration proceedings.

Pottery	(47 hour).
Road Transport	(48 hour).
Rubber	(47 hour).
Sawmilling	(47 hour).
Silk	(48 hour).
Sugar Refining	(47 hour).
Tramways	(48 hour).
Vehicle Building	(47 hour).
Wallpaper	(48 hour).
Waterworks	(47 hour day workers, 48 hour shift workers).
Wool and Allied Textile ...	(48 hour).

The principle of an *annual holiday* with pay has been adopted by the joint bodies in the following industries, but in certain instances its application has proved difficult and has been suspended or postponed

Asbestos.
Cement.
Cocoa, Chocolate, &c.
Coir Matting.
*Cooperage.
Electricity Supply (determined by District Councils).
Envelopes and Manufactured Stationery.
Flour Milling.
Gloves.
Lead.
Local Authorities' Non-Trading Services (Manual Workers) (England and Wales).
Local Authorities' Administrative, Technical and Clerical Staffs (England and Wales).
Matches.
Paint, Colour and Varnish.
Road Transport.
Soap and Candles.
Sugar Refining.
Tramways.
Wall Paper.
Waterworks.

A common practice is an annual allowance of from 3 to 12 days' holiday with pay in addition to statutory holidays for all workers who have completed a minimum period of service (generally 6 or 12 months).

Other working conditions in industry have from time to time been before various Councils and Reconstruction Committees. Thus the *Artificial Stone* Reconstruction Committee has had under consideration the question of overtime payment for hours worked in excess of Building Trade hours by Building Trade craftsmen employed in the Artificial Stone industry, the normal weekly working hours in the Building industry being 44 and in the Artificial Stone industry 47. The question of working overtime has been before the Northern Counties District Committee

* Recommendation to District Councils ; recommendation was, however, adopted only in certain districts, *e.g.*, Manchester.

of the Joint Industrial Council for the *Wool and Allied Textiles* industry. Arising out of applications in the latter part of 1921 from a number of individual firms for permission to work overtime on emergency orders, mainly for yarns for immediate delivery, the District Committee of the Council appointed a Sub-Committee to investigate the matter. The Sub-Committee, in reporting to the full Council on 12th December, 1921, reaffirmed the principle of the 48 hours working week and found as the result of its investigations that overtime was necessary in certain cases owing to unbalanced plant or to deal with a temporary phase of trade. It accordingly recommended that permission should be given in the cases which they had investigated for overtime to be worked until 21st January, 1922; that after that date any firm desirous of working overtime should apply to the Emergency Committee of the Council stating the reasons therefor, the number of persons involved, the number of hours per week and the period for which the extension was required; and that the Emergency Committee should be empowered to grant or refuse the extension were unanimously endorsed by the Council. The Report of the Council for the year ending September, 1922, says, " Speaking generally, this arrangement has worked very well, and under its provisions overtime permits for varying periods have from time to time been granted to 140 affiliated firms. It has operated in the Northern Counties and West of England."

The *Carpet* Joint Industrial Council has decided that overtime should be permitted up to 8 hours a week, subject to the sanction of the workpeople concerned, and that permission should be obtained from the Executive Committee of the Union concerned for overtime in excess of 8 hours a week.

Among the various other working conditions discussed by the different Councils may be mentioned walking time allowances, out-working and subsistence allowances, fines for late arrival, and notice of termination of engagements. The two following examples are illustrations of this phase of the work of the Councils. In September, 1920, at a meeting of the Wages and Conditions Committee of the *Pottery* Council, the Manufacturers' Federation agreed that the period for the termination of engagements of operatives should be 28 days in the case of men and male apprentices and 14 days in the case of women, boys (other than male apprentices) and other young persons; it was recommended that a printed copy of this agreement, which became operative from 1st September, 1920, should be displayed by every firm. At a meeting of the *Air Ministry* Council in October, 1921, consideration was given to the question of fines for late arrival and an agreement was reached that a civilian employee who arrives within a quarter of an hour of starting time may proceed to work but is checked one-quarter of an hour's pay ; if he arrives later than a quarter of an hour but within half an hour of the time for commencing work, he will be allowed to proceed to work but will be checked half an hour's pay ; if more than half an hour late, he will not be allowed to work for

the call. The Trade Union side of the Council accepted this arrangement as a considerable improvement upon the existing practice, and it was decided that it should be incorporated in the Air Ministry Industrial Establishments Regulations.

Chapter II.

Conciliation and Arbitration.

In the preceding chapter, some account has been given of the methods and work of the Joint Industrial Councils in the settlement of the general standards of wages and working conditions in their respective industries, and in this connection the establishment of the Councils has played an important part in furthering the general policy of the Government by which the settlement of industrial questions by those actually concerned in them is encouraged.

In the present chapter, it is proposed to give some particulars of the procedure and work of the Councils by way of mediation in disputes with a view to the prevention of stoppages of work and in the adjustment of differences by conciliation and arbitration.

Among the functions assigned by the Whitley Committee to Joint Industrial Councils was the " establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear." The model constitution for a Joint Industrial Council issued by the Ministry of Labour includes the following among the functions of a Council—" The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry and the establishment of machinery for this purpose where it is not already in existence, with the object of securing the speedy settlement of difficulties." This provision had in view not only the reference of disputes to those most conversant with the circumstances, but the provision of means by which settlement could be secured with a minimum of delay—a point of considerable importance in view of certain difficulties that arose in this respect during the war period. Such a clause has been adopted, either literally or in principle, by practically all the Councils established.

The constitution of a large number of Councils provides that no stoppage of work shall take place until the matter in dispute has been considered by the Council. In certain cases where such provision was not included in the original constitution, the principle has been adopted by joint resolutions. An illustration of the latter is provided by the *Waterworks* Council which, in February, 1920, resolved " That it is an honourable obligation on the part of both parties to comply with the principles and procedure of the Whitley Councils, and that, if strikes or threatened strikes occur before the respective Councils have had reasonable time to consider proposals submitted, both bodies become necessarily ineffective and their efforts at industrial peace unavailing."

It has been pointed out in the preceding chapter, that five of the Councils (viz., Building, Boot and Shoe, Metallic Bedsteads, Paper Making and Printing), did not include the consideration of wages, hours of employment and other working conditions within their purview, leaving these matters to the existing joint machinery, but the three last mentioned Councils make some provision for the intervention of the Council failing settlement by such machinery. Thus, the functions of the Joint Industrial Council for *Metallic Bedsteads*, expressly include the following :—

> " The consideration of differences which may arise but cannot be settled by the Conciliation Board. No strike, lock-out, or arbitration shall take place until the matter in dispute has been considered by the Joint Industrial Council."

The following clauses from the constitution of the *Paper Making* Council are also of interest in this connection :—

> " It is accepted as an agreed principle that questions affecting the relations between employers and employees as regards wages, hours of work, and conditions of labour, shall be dealt with by the same organisations as heretofore. Failing settlement, the Council will be prepared to consider any questions of principle referred to them and to act in an advisory capacity with a view to arranging agreement. No strike, lock-out, or coercive action shall take place in any locality until the questions in dispute have been placed before the Joint Industrial Council which shall meet to consider the question within six days."

Certain Councils and Reconstruction Committees have adopted formal procedure as to mediation, conciliation and arbitration in labour disputes. Even where no formal procedure has been established, matters of difference may be brought forward in the usual manner, through the Works Committees and District Councils, in appropriate cases, to the National Council. In this connection, it may be noted that provision is made in the constitution of all Councils for the convening of special meetings of the Council with a minimum of delay.

A conciliation and arbitration scheme has been instituted in connection with the National Joint Industrial Council for the *Quarrying* Industry. The scheme sets out the steps that the Council shall take to prevent or to settle a dispute occurring in the Quarries of any firm which is a member of an Employers' Association affiliated to the Council. It provides that, if the parties to the dispute are unable to settle their differences through local machinery, " it shall be incumbent on the party whose action has given rise to the dispute (and it shall be the right of either party or parties jointly) to give notice in writing to the Secretary of the National Joint Industrial Council that a dispute is imminent." Within three days of the receipt of such notice, the Secretary is to submit to the parties concerned a panel of arbitrators consisting of all members of the Council from which either party to the dispute is to select two members from the respective sides of the Council, such members not being directly involved in the dispute.

The Court of Arbitration then consists of the four persons selected, together with an independent Chairman, who may be nominated by the Ministry of Labour or may be any person not a member of the Council mutually agreed upon by the parties. After hearing the disputants the Court, which is to be called together within fourteen days of the receipt of the request for its assembly, is, if possible, to issue an award within seven days of the date of the hearing. Before the hearing, the parties to the dispute must sign an agreement to abide by the decision of the Court. If the Court fails to agree, the Chairman is to give a ruling decision.

The scheme also provides that " the Council may so arrange its members in a Panel that a Conciliation Committee shall proceed to the locality where a dispute is imminent or in progress and endeavour, with the consent of the parties, to arrange a settlement."

The *Carpet* industry, made special provision for an arbitration board in the following clause :—

> " The Council shall, in furtherance of its objects, appoint an arbitration panel composed of representatives from each side who shall hold office for 12 months.
>
> " Upon a dispute arising, if each side agree, the Council shall appoint representatives from the panel to sit as an arbitration court whose decision shall be final. The arbitration panel shall previously decide upon an umpire to whom, in the event of the arbitrators failing to reach an agreement, the matter shall be referred for a final decision."
>
> " In the event of a difference arising between an employer and his workers, or between an Association of Employers and their workers, every effort must be made to settle this difference at the works where it exists.
>
> " Within seven days of receipt of notice of a dispute, each side of the Council shall nominate its representatives from the arbitration panel."

The *Silk* Council has not attempted to negotiate wages agreements on a national basis owing to the industry being distributed over four or five districts with wide divergencies in conditions and the class of work carried on. Wage questions have accordingly been dealt with in the various districts and the Council's object has been to provide adequate machinery for mediation in the event of disputes arising and arbitration if and when the mediators fail to effect a settlement. The scheme for mediation and arbitration presents some special features. It provides for the constitution of an Emergency Committee, consisting of the Chairman and Vice-Chairman and the Secretaries of the Council, with power to decide, within seven days of receipt of notice, as to whether a dispute or a difference is first to be referred to the Local Association and Trade Union involved or should be dealt with under the scheme of the Council. The Emergency Committee is to select from a rota of the whole of the members of the Council suitable persons to act as mediators in any dispute. If both parties apply for an arbitration with an Umpire, the Emergency Committee is to appoint mediators from the rota to act as trade assessors and is to ask the Ministry of Labour to appoint an Umpire from outside the Council.

Fully developed machinery for the settlement of disputes has also been instituted by the National *Wool (and Allied) Textile* Joint Industrial Council. The constitution of this Council provides for the annual appointment of the following :—

(*a*) A panel of chairmen of arbitration courts, three persons being nominated by either side;

(*b*) a panel of members of arbitration courts, eight persons being nominated by either side.

The nominations for these two panels are from the membership of the National Council;

(*c*) a panel of four umpires not being members of the National Council but selected by a resolution of that body.

It is provided that the parties to a dispute shall each select two members from the panel of members of the Arbitration Court and that two chairmen (one representing either side) shall be appointed in accordance with a prescribed system of rotation to preside over the Court thus formed. The award of the Court is to be issued within seven days of the date of hearing and the constitution of the Council provides that " it shall be obligatory on both employer and workmen to honour the award of the Arbitration Court and to work its terms for a period of not less than 42 days, providing that at the end of 28 days from the date of the decision of the Arbitration Court either side may give 14 days' notice to the secretaries of the Council that a dispute is imminent on the issue previously decided upon. (It shall not be incumbent on either party to submit the same issue to the Arbitration Court for a second time, but where an award of the Arbitration Court has obtained for three months, any issue arising shall be considered to be a fresh and undecided one)." In the event of the Court failing to agree upon an award, provision is made for the appointment, either by agreement or by lot, of an umpire from the panel, whose decision shall be final.

Special committees to deal with cases in dispute have been established, or arrangements made for their appointment as and when necessary, by the Joint Industrial Councils for *Chemicals*, *Electrical Contracting*, *Glove Manufacture* and by the Interim Industrial Reconstruction Committees for *Artificial Stone*, *Clay* and *Optical Instruments*.

The procedure adopted by the Councils is illustrated by the action taken with regard to the following cases of particular disputes.

It will be recalled that the *Printing and Allied Trades* Joint Industrial Council has not included general wages questions within its functions. There is, however, in its constitution a clause relating to disputes, providing that no strike, lock-out or other aggressive action shall take place in any locality until the matter in question has been placed before, and considered by, the District Committee, and, failing a settlement being arrived

at, has been remitted to the Joint Industrial Council, which shall meet to consider the question within six days.

Owing to the widespread distribution of the industry and its numerous categories of specialised workpeople, the determination of wages is a matter of great difficulty. This difficulty was experienced in 1921 and again in 1922 in connection with the negotiation of national wages agreements between the organisations of the employers and of the employees, and the Council was called upon on several occasions to exercise its functions. It is of interest, therefore, to record the view of the Council, as expressed in its third Annual Report, concerning the exercise of its functions when wages negotiations have failed. The Report states :—

> " The Council is neither directly nor indirectly responsible for the progress of wages negotiations and it is only when a deadlock in the negotiations is reached that the matter is referred to the Council in the hope that better counsel can be made to prevail. This hope has not been misplaced and on several occasions the Council played a very helpful and important part in bringing about a settlement without impairing the excellent understanding between all the parties concerned."

The *Pottery* Joint Industrial Council intervened successfully in a dispute having its origin in July, 1920, when the National Society of Pottery Workers, the General Labourers' and Navvies' Union and the United Enginemen and Stokers' Union, acting jointly, applied to the Pottery Manufacturers' Federation for the rate of bonus to be increased from 50 per cent. incorporated in wages and 33⅓ per cent. bonus to 50 per cent. incorporated plus 47½ per cent. as bonus, to come into operation on and after the 19th August, 1920.

Negotiations between the parties failed to effect a settlement and on the 23rd September, a special meeting of the National Joint Industrial Council was held to consider the position and make suggestions that might lead to a settlement. The Council recommended the appointment of a small committee consisting of equal numbers of manufacturers and operatives to meet at once, with a view to arriving at a recommendation which would provide an agreed settlement.

The Committee met on the same day with one of the four honorary members of the Council who are independent of the trade, as Chairman, and on the following day recommended that an attempt should be made to secure a settlement on the basis of the substitution of 66⅔ per cent. incorporation and 25 per cent. bonus, for the incorporation and bonus then existing, as from the 1st October. This recommendation was accepted by the employers and operatives and endorsed at a further special meeting of the Council on the 7th October.

A unique example of successful intervention by a Joint Industrial Council in the settlement of a dispute is to be found in the case of the Electricians at Penistone in August, 1920. The

dispute arose in connection with the position of a foreman as regards trade union membership and led to a strike of members of the Electrical Trades Union at the establishment of a certain firm at Penistone, followed by a lock-out of the members of the Union in the employment of member firms of the Engineering and the National Employers' Federations. In pursuance of the powers conferred upon him by the Industrial Courts Act, 1919, the Minister of Labour appointed a Court of Inquiry to investigate the causes and circumstances of the dispute. The Court proceeded to take evidence. Meanwhile, the question was considered at a special meeting of the Joint Industrial Council for the *Electricity Supply Industry*, which would have been affected by a spread of the dispute, when it was agreed that " the Electrical Trades Union should be recommended to suspend their strike notices until after the Court of Inquiry has reported to the Ministry of Labour " and it was also agreed that " the Electrical Trades Union, having intimated to this Council that they are prepared to withdraw the question of principle arising out of the Penistone dispute, this intimation be regarded as an acceptable basis of settlement and it is therefore recommended that the Engineering Employers' Federation should withdraw their lock-out notices and the Union instruct their members to resume work immediately."

At the third day's sitting of the Court of Inquiry, the parties asked for an adjournment so that they might have an opportunity of conferring together with a view to a settlement on the basis of the Joint Industrial Council's recommendation. On the following day, the Court was informed that a settlement had been reached and that the dispute was at an end.

The settlement of certain disputes in the Macclesfield district may be taken as typical of the working of the *Silk* Council scheme. At a meeting of the Council in April, 1920, it was reported that differences had arisen between the employers and Trade Unions in the district over a wages claim. It appeared that a tentative agreement had been reached on three of the four heads of the Union's application, but that complete agreement was impossible by reason of their inability to find a solution of the claim affecting about 260 women workers in the spun silk section. Mediators were duly appointed by the Council and the difficulty amicably adjusted. Again, in April, 1921, the local Employers' Association and the Union were unable to come to an agreement on a claim of the employers for a reduction of wages and requested the Council to appoint mediators. After an exhaustive discussion of the matters in dispute with the parties, there appeared to the mediators to be no possibility of agreement and, in accordance with the scheme, application was made to the Ministry of Labour for the appointment of an Umpire. The Ministry accordingly appointed an Umpire who with the assessors held two meetings in Macclesfield and one in Manchester and, after visiting certain firms for the purpose of obtaining information on technical points, subsequently issued his Award.

A further example of successful conciliation may be given from the *Optical Instrument Making* Industrial Reconstruction Committee. In February, 1921, about 50 members of the Amalgamated Engineering Union came out on strike in a firm belonging to the British Optical Instrument Manufacturers' Association, from which the employers' representatives on the Reconstruction Committee are drawn. The cause of the strike was a proposal by the firm to reduce wages by approximately 25 per cent. The firm agreed to refer the question to the Secretary of the Interim Reconstruction Committee, who arranged a meeting of the Committee on March 7th. At this meeting, an amicable settlement of the dispute was reached and the firm agreed to withdraw the notices of proposed reductions, and at the same time to take back all men who were at work when the strike started, and who still desired to return.

The conciliation and arbitration work of the Joint Industrial Councils dealing with public utility and municipal services may be mentioned with particular regard to three types of case, viz.—

(*a*) reference to a National Joint Industrial Council of a difference between the two sides of any of its District Joint Industrial Councils;

(*b*) consideration by National and District Joint Industrial Councils of appeals against the grading of individual undertakings or authorities in relation to graded schedules of minimum wages rates approved by District Joint Industrial Councils;

(*c*) interpretation of existing agreements as applied to particular cases in dispute.

In illustration of (*a*) above, reference may be made to a case in December, 1920, in which the National Joint Industrial Council for *Local Authorities Non-Trading Services (Manual Workers) (England and Wales)* was requested by one of the District Councils to appoint four members of the National Council, two from each side, to hear and determine a difference which had arisen on the District Council in regard to an application of the trade union side for an advance in wages. The claim, which was in effect for an addition of 4*d.* an hour to wages retrospective to 1st July, 1920, had been discussed at several meetings of the District Council, but without result. In response to this request, four members of the National Council attended a meeting of the District Council held in January, 1921, and forthwith issued an award which granted in effect an increase of 2*d.* an hour, to be operative from the first full pay week in that month.

With regard to (*b*) above, it has already been mentioned that the District Joint Industrial Councils for the *Electricity Supply, Gas* and *Waterworks* industries and for *Non-Trading Services of Local Authorities* have, in most cases, classified the undertakings or authorities in their respective areas for the purpose of scheduling appropriate minimum wages rates for each class. Individual undertakings or authorities, or their workpeople, have, in a considerable number of instances, lodged appeals for a lower or a higher classification, as the case might be, than that originally determined by the District Council. Such appeals have generally

been heard and determined by the District Councils themselves, or in the first instance, by committees designated for the purpose. In a few cases, there has been a further appeal to the National Joint Industrial Council concerned.

As an example of (*c*) above, mention may be made of the procedure adopted by the Joint Industrial Council for the *Tramway* industry, with reference to an agreement concluded between the employers and workpeople concerned in March, 1919, *i.e.*, before the constitution of the Joint Industrial Council, with reference to hours, overtime and holidays. This agreement gave rise to a considerable number of questions as to its application in particular cases, and as to its interpretation. Such questions were remitted to a Standing Committee of the National Joint Industrial Council which met regularly in order to deal with them. The cases were generally settled by the Standing Committee, but in some instances the Committee found it necessary to refer the case to the National Council for decision. A revised agreement was adopted by the Joint Industrial Council on 11th April, 1922, and questions arising under it are similarly dealt with.

The work of the Councils and Reconstruction Committees in preventing stoppages of work has been attended with a very considerable measure of success—a fact due in the main to the task of mediation being undertaken by the members of the industry themselves with the minimum of formality and delay. It must also be borne in mind that in many cases where the establishment of special machinery has not been considered necessary, the mere existence of a Joint Industrial Council on which the organisations on both sides are constantly in touch has been effective in obviating disputes. Cases very frequently arise in individual firms or localities where an informal discussion between the representatives of the Trade Unions and the Employers' Associations on the occasion of the meeting of the Council, suffices to secure that the necessary steps towards an adjustment of the matter are taken. The fuller acquaintance which results from regular intercourse on Joint Industrial Councils or Committees between the leaders of either side greatly diminishes the opportunity for disputes to arise through lack of goodwill or of mutual understanding. Further, the fact of such matters being liable to discussion by either side of the Council or by the Council itself in full session, renders it difficult for an individual association or group of persons to maintain an unreasonable attitude towards other parties similarly engaged in the industry.

Supplementary to this phase of Joint Industrial Councils' activities is the specific provision in the Industrial Courts Act, 1919 (which, *inter alia*, embodied the recommendations of the fourth report of the "Whitley" Committee on "Conciliation and Arbitration"), that, before a difference can be referred to arbitration under the Act, exhaustive use must be made of the conciliation machinery existing by agreement between organised employers and workpeople. On the basis of this provision it is the policy of the Government that, in an industry in which a

Joint Industrial Council or similar body exists, every possible means of arriving at a settlement by means of that body should be exhausted before the intervention of the Ministry of Labour or other independent party is sought. Should the intervention of the Ministry or of any independent party be deemed desirable, the machinery of a Joint Industrial Council enables that intervention to be made in a suitable manner and with the greatest prospect of success.

Chapter III.

Unemployment, Research and Statistics.

In this and the following chapters some account is given of the work of the Joint Industrial Councils in regard to the more general problems indicated in the Whitley Report and included in the terms of reference of the Councils, namely, such matters as unemployment, industrial organisation, research and statistics, health and welfare, education and technical training, etc. It was in the inclusion of such topics in the functions of the Joint Industrial Councils that the essentially new departure involved in the Whitley Scheme resided; and the work of the Councils in these fields will probably prove a determining factor in the success of the general movement.

It must be said at once that the approach to industrial problems of general, as well as special, application by joint bodies representing specific industries and acting, for the present at least, largely independently of one another, is still in the experimental stage, and some time must yet elapse before any conclusion can be formed as to the full possibilities of such action.

Unemployment.

These considerations apply with special relevance to the problem of unemployment. The activity of individual Councils in relation to this problem tends to be limited to the question of its incidence upon the particular trades concerned, but even in this respect the present situation in industry presents obstacles to progress which can only gradually be surmounted.

The attention of Joint Industrial Councils was on three occasions during the period covered by this Report expressly directed by the Minister of Labour to the problem of unemployment. In January, 1920, a circular letter was issued calling the attention of the Councils to the Unemployment Insurance Bill then before Parliament (subsequently the Unemployment Insurance Act of July, 1920) and especially to the provisions in virtue of which industries might obtain the sanction of the Minister of Labour to contract out of the State scheme or might establish supplementary schemes in conjunction therewith.

A number of Councils and Committees made substantial progress with the consideration of contracting-out schemes but, for various reasons, not the least of which was the great depression in trade which commenced in the latter part of 1920, little use

was made of the opportunity afforded by the Unemployment Insurance Act, 1920. The position was changed by the passing of the Unemployment Insurance (No. 2) Act of June, 1921, under which the power of the Minister of Labour to approve contracting-out schemes was postponed until such time as the condition of the Central Unemployment Fund again permits of the establishment of schemes for the dealing with unemployment on an industrial basis.

In February, 1922, the Minister of Labour again addressed a letter to the Joint Industrial Councils and Interim Industrial Reconstruction Committees, as well as to other industrial bodies, directing attention to the matter and asking each industry to think out a method of dealing with unemployment insurance in its trade, so that the Government might be in a position to know the considered views of employers and employed in each industry, and might be able to consider any practical proposals that might be put forward.

Among the Councils and Committees which considered, and replied to, the Minister's circulars were *Artificial Stone*, *Boot and Shoe*, *Building*, *Carpets*, *Cooperage*, *Gloves*, *Hosiery*, *Match Manufacturing*, *Needles and Fish-hooks*, *Silk*, *Tin Mining*, *Waterworks*, *Wire-drawing*.

The other occasion on which the attention of Joint Industrial Councils was specifically drawn by the Minister of Labour to the problem of unemployment was on 31st December, 1920, when a letter was issued to all the Councils, urging them to consider what re-arrangements could be made in the industries which they represented to give partial employment to the maximum number of workpeople.

The Minister stated that the Government proposed to apply the principle of short time in the Royal Dockyards and other Government Industrial Establishments and looked to organised industry to do what it could to keep the number of wholly unemployed as low as possible.

The discussion by a number of Councils of the Minister's letter revealed the fact that the principle of short time was already recognised by many industries and in some was at that time being applied to the fullest extent possible under the existing conditions. Other Councils made suggestions to their constituents whereby the unemployment position might be alleviated. For example, the *Electrical Cable Making* Council agreed to recommend to the trade that as great a number of 8-hour shifts as possible should be worked without overtime: the London District Council of the *Cooperage* industry decided to advise firms so to limit the output of piece-workers that their earnings should not exceed the day-rate level, while others passed resolutions recommending short time as preferable to discharge in times of industrial depression. The Joint Industrial Council for the *Lock, Latch and Key* industry resolved to issue a circular to all federated employers in the trade, recommending the adoption by

them of systematic short time and suggesting that preference should be given to the employment of single rather than married women and of men who had remained in the industry during the war.

While the action of Joint Industrial Councils in regard to such proposals as the foregoing must necessarily be confined to matters of general principle, for whose practical application decentralised joint machinery is essential, the Councils would appear to be eminently suited to the consideration of the more general problems involved in the question of unemployment, since they provide for each industry a centre at which the knowledge, the experience, and the constructive proposals of all concerned can be brought to bear.

Moreover, the Councils also provide means for discussion between allied industries. Thus schemes for the improvement of trade and consequent alleviation of unemployment were prepared in the autumn of 1921 by the organised bodies in the Electrical Industry. At the beginning of October, the Industrial Council for the Electrical Cable Making Industry appointed Committees for the following purposes :—

(*a*) " To consider the advisability of discussing the situation with Associated Bodies with a view to framing proposals which the industry as a whole might place before the Cabinet Committee [on unemployment].

(*b*) To consider whether any steps can be taken in regard to the electrification schemes prepared and in preparation by various railway companies, with a view to accelerating the putting in hand of work.

(*c*) To examine how the Joint Industrial Council can bring pressure to bear on Government Departments, Public Bodies, and large buyers to forecast their probable future requirements, and put the work in hand immediately."

As a result of the activities of the first Committee, a Joint Conference composed of representatives of the Joint Industrial Councils for the Electrical Cable Making, Electricity Supply, and Electrical Contracting Industries, the British Electrical and Allied Manufacturers' Association, the Electrical Wholesalers' Federation, and the British Electrical Development Association was formed and within a month of the inception of the idea, enquiries had been made, schemes considered, and definite constructive proposals put before the Government.

Their deliberations took place under two headings :—

1. " To examine and consider what steps can be taken to secure the permanent restoration of trade and finance in the Electrical Industry.

2. To consider what steps can be taken for the immediate alleviation of unemployment in the Electrical Industry."

Under the former heading, the Conference urged the Government to define, as early as possible, their policy with regard to the future control of Electricity Supply in order to dissipate a feeling of uncertainty which was causing a marked disinclination to invest capital in the industry, and requested that the findings of the Electricity Commissioners on the schemes already submitted for the grouping of undertakings should be issued with all possible speed, in order that urgent electrical extensions might be carried out.

The Conference also requested authority for supply undertakings to increase their charges and made recommendations with a view to expediting the important projects for electrification contemplated by some of the railways.

Under the second heading, the Conference set out the position with regard to development schemes and suggested that Government assistance should be given towards interest payments and the postponement of sinking funds for a reasonable period. The Government were urged to put into immediate operation the large schemes for the extension of the Telephone system (Underground Cables) and to give financial assistance to schemes for extension of tube and railway electrifications. Suggestions were made for the provision of employment by the re-wiring of electrical installations in certain public buildings and Government offices and in various places of public entertainment, where the installations were alleged to be obsolete and possibly unsafe.

Subsequently, a deputation discussed the matter with the Minister of Health, the Parliamentary Secretary to the Minister of Transport and the Chairman of the Electricity Commissioners.

Research and Statistics.

The National Council of the *Pottery* industry was the first Council to institute an inquiry into the internal condition of an industry. As early as February, 1918, three standing investigating Committees were appointed by the Council, one for Research and Designs, one for Statistics and Enquiries, and a third for Wages and Conditions. The first-named Committee has considered education and welfare questions, the second has itself set up an enquiry into the financial position of the industry, the relation of profit to turnover, the wages paid to the operatives and the systems of payment prevailing in the industry, while the third has dealt with current questions such as Apprenticeship schemes, Interrupted Apprenticeships through war conditions, employment of juveniles, shortage of materials and departmental rates of payment.

Mention will be made later in this Report of the work of the Research and Designs Committee in connection with education and the welfare conditions in the Industry, and also of the activities of the Wages and Conditions Committee in connection with Apprenticeship, etc. It is proposed here to deal with the financial investigations of the Statistical and Enquiries Committee.

The duty of this Committee, as defined by the Council, was to supervise " the collection of full statistics on wages, making prices, and average percentage of profits on turnover, and on materials, markets, costs, etc., and to encourage the study and promotion of scientific practical systems of costings to this end."

A two-fold enquiry began, into the average earnings of piece-workers and into the relation of profit to turnover. Much information with regard to making prices and conditions was collected by the Pottery Workers' Society and by the Manufacturers and a further enquiry into average piece-work earnings brought in figures covering a majority of the workers. The extreme difficulty of tabulating the information received as to making prices and conditions, revealed the necessity for enquiry on other simplified lines, but the results of the enquiry into average piece-work earnings was considered suitable for compilation into valuable statistics. The Statistical and Enquiries Committee have already reached agreement, in their consideration of the relation of profits to turnover, on the deductions from turnover to be made for management, rent and depreciation, life of buildings and machinery, management by proprietors, directors and managing-directors, and other points of principle, and has obtained Returns on the average percentage of profits on turnover. Sir John Mann has been appointed Accountant to the Council for the purpose of verifying statistics, when required.

In the constitution of the Industrial Council for the *Iron and Steel Wire* manufacturing industry, the following clause stands sixth on the list of functions :—" The collection and the regular consideration of statistics and information on matters appertaining to the industry," and at a meeting of the Executive Committee of the Council on 12th August, 1919, it was decided to issue a letter to all firms represented on the Council who were primarily engaged in wire-drawing to ask them to make a return under the following headings :—

1. Total Capital estimated on the principles laid down by the Finance Acts, that is to say, total Assets less Liabilities. It was agreed, however, that Debentures should not be included among Liabilities, and that Debenture interest should be included in the amount of distributed profits.
2. Total Wages—wages being defined as remuneration to all workers in the Industry subject to National Insurance contributions.
3. Salaries. This to include payment to all other employees in the Industry, including Directors, whose remuneration is not subject to National Insurance contributions. Any commissions upon profit or otherwise, payable to such employees, to be included.
4. State and Local Taxation, and payments under National Insurance Acts, and particulars of the Excess Profits Duty.

5. Amounts distributed among Shareholders and Debenture holders as interest upon Capital.
6. Amount of fixed profits allocated to reserve and special depreciation.
7. Aggregate tonnage output of the Wire Industry.
8. Total number of wage-earners as defined in Clause 2.
9. Total amount paid by the Industry for traffic purposes, including payments to Railway Companies, Canals, and carting.
10. Total Coal consumption.

From the replies received to this circular, the figures given by thirteen of the most representative firms, estimated to cover over 50 per cent. of the whole industry, were taken and the aggregates presented to the Council on 7th June, 1921, and published in the annual report for 1920-21, which states, " It was hoped that this would do much towards removing misapprehension, and creating a feeling of confidence between capital and labour in the industry."

It should be noted that this is the first Council to draw up and present such figures to the trade. Corresponding figures for the year ending 30th June, 1921, were given in the annual report for 1921-22, together with statistics of unemployment, sickness, the number of apprentices and the proportion of apprentices to journeymen for 1920 and 1921 drawn up by the Amalgamated Wire Drawers' Society of Great Britain.

Reference may also be made to the appointment of a Committee of the *Printing and Allied Trades* Joint Industrial Council to study the details of the application to all sections of the industry of a costing system.

The determination of wages claims and the adjustment of working conditions often involve careful investigation into the existing facts, and this may be illustrated by reference to the National Joint Industrial Council for the *Tramway* Industry. On two occasions, thorough statistical researches have been made by the Council into the financial position of the industry for the purpose of ascertaining its ability to comply with requests for increased wages to the employees. As described in a previous chapter (*see* page 93), an application by the National Transport Worker's Federation for a general advance of wages came before the Council in February, 1920, and led to the formation of a Sub-Committee to consider :

1. The facts with regard to the cost of living ;
2. the bonuses paid to (*a*) employees in the non-industrial departments of the public service administered by Local Authorities, and (*b*) other industries of a similar character ;
3. the general financial position of the Tramways Industry.

The report of the Sub-Committee was submitted to the Council on 11th March, and after difficult negotiations, adjustments of the wages claim were agreed.

In October of the same year, the trade union side of the Council put forward a claim for a further advance in wages. The representatives of the Tramway Companies were unable to enter into the negotiations and the Municipal representatives and the trade union side of the Council appointed their respective secretaries to obtain full information and report upon :—

1. The increased cost of living compared with the increased wages or bonuses paid to various classes of tramway employees ;
2. a comparison between the wages paid to the various classes of tramway employees and other classes of comparable occupations ; and
3. the present financial position of the various Municipal Tramway Undertakings with the object of ascertaining (*a*) the increased costs of operation and (*b*) the result of the increased charging powers that have been put into force.

On 13th November a detailed and comprehensive report was submitted to the Council by the Joint Secretaries.

As stated previously, the breakdown of negotiations over the wages claim led to the appointment, by the Ministry of Labour in December, 1920, of a Court of Inquiry under Part II of the Industrial Courts Act, 1919. The report referred to above may be said to have formed the basis of the enquiries conducted by this Court.

Statistical enquiries, such as have been above indicated, provide an agreed basis on which employers and workpeople can meet and in this connection it may be observed that frequent complaint is made in wage negotiations that the employers have an advantage over the men's representatives in that they alone are acquainted with the detailed facts and circumstances of the industry. Statistics, available to the employers and workpeople in an industry, must provide a useful starting point for discussion which may clarify the principles on which wage and other settlements should be determined and promote a spirit of co-operation for the advancement of the industry. For the solution of problems such as unemployment, statistical investigation is an absolute necessity. Such investigations, by providing means for well-informed discussion by persons in the industry, open up to the Councils a wide vista of usefulness.

Chapter IV.

Education, Training and Apprenticeship.

Among the questions with which the Whitley Committee suggested that the National Councils should deal, or allocate to District Councils or Works Committees, was " Technical Education and Training." Arising out of this suggestion, a number of Councils have included within their functions the supervision of entry into, and training for, the industry concerned and co-operation with the Educational Authorities in the arranging of education in its various branches for the industry. In this connection the following relevant extracts from the constitution of certain Councils may be quoted as typical :—

Admiralty and Office of Works Departmental Joint Councils: Industrial Establishments.

The consideration of the conditions of entry into, and training in, the various establishments concerned, in conjunction with the Trade Joint Councils where necessary, and of educational questions in relation thereto.

Civil Service: Administrative and Legal Departments.

The encouragement of the further education of Civil Servants and their training in higher administration and organisation.

Printing and Allied Trades.

To take in hand the question of apprenticeship conditions ; the adoption of suitable methods of selection for apprenticeship, and technical training for apprentices, learners and journeymen throughout the industry ; the removal of blind-alley occupations.

It may be observed in the first place that, with the advance of machinery and standardisation of machine processes and for other reasons, apprenticeship in industry has become less common. A modern revival of interest in apprenticeship, however, is revealed in the schemes approved by the Councils which are given later in this chapter. Arrangements are now in operation in several industries whereby pupils trained for two or three years in a Junior Technical School may count that training as part of the period of their indentures. The curriculum of these Junior Technical Schools is calculated to combine a sound general education with an adequate trade training on a broad basis which will enable the pupils to adapt themselves to varying conditions of employment.

A further recent development will be observed from the subjoined details, namely the introduction of a fourth party to the indentures of an apprentice which has been adopted by some Industrial Councils, the Chairman of the Local Apprenticeship Committee standing in the position of arbitrator in disputes and as protector of the interests of both employer and apprentice, the agreement contemplating that he, or his Committee, may cancel indentures, arrange for the transfer of an apprentice from one employer to another for the furtherance of his education, and supervise the progress of the boy's training.

In another aspect of the problem of training, several Councils have formed Advisory Committees to collaborate with the City and Guilds of London Institute in the examination schemes arranged by that body. The certificates awarded by the Institute to successful candidates imply a high standard of efficiency, and the Councils, by availing themselves of the opportunities afforded

to students and by offering the benefit of their industrial experience in the preparation of the examinations, are able to contribute largely to the cause of education.

The consideration given by the Councils to the Ministry of Labour scheme of training *bonâ fide* apprentices whose apprenticeship was interrupted by war service is referred to later in connection with other schemes of demobilisation and re settlement after the war (*see* p. 140).

The following notes will give some indication of the general work of the Councils in regard to training.

In July, 1920, a small Committee was set up by the *Admiralty* Joint Industrial Council to deal with various matters affecting the employment of juveniles in H.M. Dockyards. Questions concerning the scope of the curriculum for apprentices in the Dockyard schools have been discussed and a recommendation of the Committee has since been adopted, that the upper age limit for candidates at the entrance examinations should be altered from 16 to 17 years. The Committee took the view that the raising of the major age limit to 17 years would admit of the entry of secondary school boys in greater numbers than formerly and would also afford prospective candidates the opportunity of continuing their general education in the public schools for a year longer than was hitherto the case. Also, candidates failing one year would have the opportunity to compete again.

A small Sub-Committee of the *Building* Trades Industrial Council was appointed in December, 1918, to prepare details of a report for submission to the Council, and thereafter, to the Board of Education on the subject of the training and apprenticeship of juveniles. The question of boy labour in industry was thoroughly examined by this Committee during the ensuing year and, in November, 1919, a Report was issued and adopted by the Council containing an extensive survey, both critical and constructive, of the whole subject of the training of juveniles.

The Report is divided under the following main headings :—

(1) Preparation for Industry.
(2) The threshold of Industry, containing suggestions for assistance in the choice of careers.
(3) Training in Industry, containing suggestions for vocational training of juveniles.
(4) Post-Apprenticeship Period, containing suggestions for the education of journeymen.

In the first section of the Report the Committee had under consideration the proposals of the Education Act of 1918, and the following opinions were expressed in regard to general education :—

> The Committee favour the raising of the normal school-leaving age to 16 with optional leaving a year earlier.
>
> Where necessary, it is suggested that State aid in the form of scholarships and bursaries should be given to promising children in order to enable them to make full use of the facilities for secondary education.

> The Committee, while not regarding the primary scheme as a means for specialised training, suggest that at about 12 years of age boys might be transferred to a centralised school for special training where it appeared advisable and at the age of 14 definite technical training might commence.

Under the second heading, the Committee made suggestions for an extension of the work of Juvenile Advisory Committees attached to the Juvenile Employment Exchanges. They recommended that the local organisations of employers and of workpeople in the Building Industry should be directly represented on these Committees and that each Juvenile Advisory Committee should have a Building Trades Apprenticeship Sub-Committee, with separate panels for each craft in the Industry.

Under the third heading, the Committee suggested that boys should become indentured to suitably selected employers with the Chairman of the Local Sub-Committee as a fourth party to the indenture. Recommendations were also made under this section in regard to various aspects of the training of apprentices.

Under the fourth section of the Report, the Committee looked forward to an eventual possibility of the opening of wider facilities for University training and a wider opportunity of promotion in the Industry to qualified craftsmen.

This Report was adopted by the Industrial Council in November, 1919, and the Committee was instructed to prepare a detailed apprenticeship scheme in accordance with their recommendations. A scheme was accordingly drawn up and adopted, together with a model form of indenture, by the Industrial Council in March, 1920.

The detailed scheme recommended the establishment in each centre of the Building Industry of a Committee to be called the "Local Building Trades Apprenticeship Committee," composed of representatives of the organised employers and workpeople in the district, together with, if so desired, representatives of the Local Education Authorities.

In August, 1920, the Council decided to take action in order to secure the general application throughout the Industry of the Apprenticeship Scheme, and the Training Department of the Ministry of Labour was approached in order to secure the assistance of Local Officers in bringing together the various bodies concerned in each locality. During the following winter, pamphlets explaining the proposals were printed and widely circulated under the auspices of the Industrial Council, and a large number of Local Conferences were held throughout Great Britain.

Later, the Council adopted amendments to the Apprenticeship Scheme to allow greater freedom to local bodies regarding rates of wages paid to apprentices and compulsory attendance at day continuation schools. There had been little further progress when the National Federation of Building Trades Employers withdrew from the Council at the end of June, 1922. Consideration is, however, being given meanwhile to the question of

continuing the work of the Council in connection with education, and safety and welfare.

The Building Education Committee recognised also that crafts such as Painting and Plumbing have their own individual problems. The principles of the main and craft scheme are in the former trade identical, although the details are somewhat varied to meet the special circumstances.

The Plumbing National Apprenticeship Committee is composed of representatives of the Institute of Plumbers, and the Operative Plumbers, in collaboration with representatives of the Worshipful Company of Plumbers, the Royal Sanitary Institute, the Royal Institute of British Architects, the Association of Technical Institutions, the Ministry of Labour, the Board of Education, and the Council of the National Registration of Plumbers. It will be seen that the composition of the governing body is designed to give full weight to the various interests involved, and in the case of the Worshipful Company of Plumbers, for historical continuity of interest in education.

The scheme of Indenture is stated by the Council to have been drawn up " in the hope that, through it, the general standard of craftsmanship in the Plumbing Trade may be raised, and as a step forward towards the time when every plumber should be a true craftsman and bad work be eliminated. The scheme aims at the thorough training of boys entering the trade, ensuring both that the employers shall see that he has a grounding in the practical processes of the craft, and that by attendance at a Technical School he shall acquire an understanding of the processes themselves, and may include in the range of his knowledge other branches of craft which employers may not have the facilities for teaching. . . . It is suggested that the actual working of the scheme shall be entrusted to small committees, one of which would be formed in every large town, and would consist of, say, three employers, three operatives, the Principal or Instructor of the Technical School, and a representative of the local Employment Committee."

The Local Apprenticeship Council is to determine the terms and conditions of apprenticeship (wages, hours, working conditions, etc.) subject to the approval of the National Council: it may also make representations to the Local Education Authority in regard to the elementary school training of those boys from amongst whom apprentices for the plumbing trade in its area are likely to be drawn. The scheme further provides that,

" An examination board of not less than three members, not necessarily members of the National or any Local Apprenticeship Council, shall be appointed by the National Council to conduct examinations for apprentices. The apprentice shall sit for the first at the beginning of the fourth year, and thence at the beginning of the fifth year and the end of the sixth or seventh year, according to his own option, the last examination to be instituted by a Committee that shall be appointed by the Apprenticeship Council, being the qualifying examination (under the National Registration Council), or the First Class Honours Certificate in Plumbers' Work of the City and Guilds of London Institute."

Two alternative schemes are provided. Under (*a*) " the boys shall be apprenticed to the employers, if possible directly upon leaving the elementary school, and every employer shall undertake to give every apprentice the fullest opportunity of efficiently learning the trade (1) in the workshop and on jobs, and (2) by attendance at a Technical School on not less than two half days in each week during the employer's time, and without deduction from wages, so far as other attendance is not required by the Education Acts. The apprentice shall further be bound to attend an evening course on two evenings each week while the schools are open and shall be required and encouraged to sit for the examination at the Technical School each year." Under (*b*) " apprentices up to 16 years of age shall be bound directly to the Council, the forms of indenture being executed by the Chairman and Secretary on behalf of the Council. For at least the first two years of apprenticeship, they shall attend a specialised course of instruction in a day technical school approved by the Council. At the termination of the course, the apprentice shall be transferred to an employer under the same kind of indenture."

Early in 1920 the *Cooperage* Industrial Council (which was then an Interim Industrial Reconstruction Committee) approached the Coopers', Brewers', Vintners' and Distillers' Companies, and the City and Guilds of London Institute with a view to obtaining their co-operation in providing technical education. Favourable replies being received, the Council appointed a Committee to draft a scheme for this purpose. The preparation of an apprenticeship scheme for the industry was also undertaken early in 1920, when agreed principles were formulated and a draft form of indenture approved. In April, 1921, however, the difficulties in the way of applying a standard scheme throughout the country led the National Council to refer the drafting of apprenticeship schemes to the District Councils, subject to the approval of the National body.

The *Electrical Contracting* Industrial Council appointed a Committee to advise the City and Guilds of London Institute on the syllabus for technical examinations, both sides of the Council holding the opinion that the question of technical examinations is one of the greatest importance to the industry. The Council has also had under consideration apprentice problems as to wages (on which an agreement was secured), a probationary period on completion of apprenticeship, and the proportion of apprentices to journeymen, but no decision has yet been found possible on the latter questions.

The Second Annual Report of the Industrial Council for the *Gas* industry for the year 1920-1921 stated that the subject of education had

> " received the attention of the Council on several occasions, and an Educational Advisory Committee was appointed on the 24th November, 1920, comprising one representative each from the National Gas Council, the British Commercial Gas Association, the Institution of Gas Engineers and the Board of Education; four representatives from the National Joint

Industrial Council (two Employers' and two Trade Union representatives); the Chairman, Mr. D. Milne Watson, *ex-officio*; and Mr. W. J. Smith, as Secretary to the Committee.

This Committee met early in January, 1921, and agreed to limit consideration for the present to the following matters, viz. :—

(1) Whether greater and more widespread facilities are necessary for training men to occupy minor posts of responsibility, such as foremen in large, and managers of small, works and the nature of the training which should be provided.

(2) The training, including any pre-apprenticeship education, of the skilled men employed in distribution.

(3) In what ways the general educational welfare of all workers in the industry can be fostered.

A form of Questionnaire has been drawn up and sent to Gas Undertakings in order that the Committee may have before them the fullest possible information as to existing educational facilities."

It is understood that the matter has been under the further consideration of the Educational Advisory Committee, and that a series of lectures dealing with subjects concerning the industry has been prepared.

A Committee to deal with the question of technical education, and including representatives of the Institution of Heating and Ventilating Engineers, was appointed as a result of discussions at the First Annual Meeting of the Industrial Council for *Heating and Domestic Engineering*, in January, 1920, when an officer of the Board of Education addressed the Council on the subject of improving the existing facilities for technical training. The Committee has taken steps to further the formation of technical classes for workers in the industry and in this connection has issued a booklet entitled "Advice to Intending Students as to Courses of Study." In this booklet three grades of courses are outlined :

(*a*) The Junior, or Preliminary Technical Course.

(*b*) The Senior, or Engineering Science Course.

(*c*) The Special, or Heating, Ventilating and Domestic Engineering Course.

Courses (*a*) and (*b*) are universal in all technical schools which include engineering as part of their ordinary curriculum. For the Special Course (*c*) classes would have to be formed at the large centres in the country so soon as sufficient students are available. Each of the three courses will occupy two years. In the Junior Course, the student will obtain a knowledge of elementary mechanics and physics, practical mathematics and drawing; in the Senior Course, the syllabus includes further practical mathematics, engineering and drawing, and engineering science—mechanics, hydrostatics, pneumatics and physics; the Special Course includes heating, ventilating and domestic

engineering (combustion of fuel, pipes and fittings, hot water supply, heating, ventilation, working tools and drawings), and the principles of building construction.

The Education Committee selected a number of large towns in the country and interested individuals were selected to undertake the duty of calling meetings to elect local Education Committees to carry out the scheme. In a few centres a definite start has been made and a number of students commenced classes in the autumn of 1922. A difficulty has been encountered in the fact that apprentices have to work on jobs away from home and are prevented from regularly attending the classes. This difficulty has been overcome to some extent in individual cases by students exchanging their papers. There is no provision for correspondence tuition at the technical schools, and the difficulty is not easy to meet. The Committee, acting in conjunction with the Board of Education, has had under consideration the inclusion in the form of indenture generally issued in this industry of a clause to provide for the attendance of apprentices at technical classes up to the age of 19, and it has also made recommendations with regard to the wages of apprentices entering workshop training after attending a junior technical school. A standard apprenticeship scheme was also adopted by the Council, and consideration was given to the possibility of fixing a ratio to govern the employment of apprentices in proportion to the number of journeymen, but owing to the abnormal state of trade, and the variety of local arrangements, no national agreement on this matter has yet been possible.

A scheme of indenture for apprentices was approved in June, 1920, by the London District Reconstruction Committee, subsequently the Joint Industrial (District) Council for the *Making-up and Packing of Textiles for Export*.

At the First Annual Meeting of the *Needles and Fish-hooks* Council held at Redditch in June, 1920, it was announced that the Local Education Authorities were willing to form an evening class for Toolmakers, and the Employers' Associations were invited to subscribe towards the cost of the classes. The request was acceded to and the Council agreed as to a suitable teacher. By November, 1920, the arrangements were complete and towards the end of that month a class was successfully started with 14 students, the maximum for which accommodation could be provided. The classes have since been held each winter and have been well attended.

The question of an Apprenticeship Scheme for the industry was brought before the Council in January, 1921, by one of the Works Committees in the industry which had formulated a detailed scheme, and arising out of the discussions, it was decided to appoint a Sub-Committee (1) to consider and report upon the desirability of a general Apprenticeship Scheme for the industry; and (2) if favourable, to draft such a scheme for submission to the full Council. The Sub-Committee has considered the results of an investigation into the present methods of recruiting and

training for skilled labour; as several branches of the trade have yet to be considered, no decision has yet been reached.

Frequent discussions at meetings of the Council eventually led to the formation of a branch of the Workers' Educational Association for the town and district. Weekly lectures at the Technical School on economics and literature are stated to be well attended.

A Sub-Committee of the *Optical Instruments* Interim Reconstruction Committee was appointed in October, 1919, to recommend conditions for the employment and training of juvenile workers in the industry, in order that, after consideration by the full Reconstruction Committee, a scheme should be recommended for adoption by all employers. The report of the Sub-Committee was considered and, as to its main features, adopted at a special meeting of the Reconstruction Committee held on 27th April, 1920, at which meeting representatives of the Imperial College of Science, the Northampton Polytechnic Institute, the L.C.C. Education Department, the Juvenile Employment Department of the Ministry of Labour, and the Technical Optical Committee were present by invitation. The report of the Sub-Committee begins by stating that,

> " The Industry must suffer from any neglect to provide for adequate recruitment and training on equitable and attractive terms. It cannot afford the loss which would follow from failure to develop its recruits."

The Report proceeds to recommend that " apprenticeship should be by indenture, should commence at the age of 15, and should endure for 5 years." The following recommendation is also made :—

> " In order to prevent likely boys from being diverted to other industries unless suitable provision is made for encouraging them immediately on leaving school, it is important that employers should so far as possible provide work for boys of 14 to 15 years of age, which, while not being training in the making of scientific instruments, would be of use to the boys when the time of apprenticeship begins. . . . As far as possible an apprentice should be trained in all the branches of the trade carried on in the factory where he is employed. The apprentices should be encouraged to make during their apprenticeship two or more articles in order to illustrate their proficiency, and a certain specified time should be allowed for this purpose. The employer should certify that the articles were made by the apprentice and they should become the apprentice's property."

The Report recommended a specified form of indenture with provision for attendance at technical classes in the employer's time, and further proposed that a standing Sub-Committee of the Reconstruction Committee should be established to supervise the entire administration of the apprenticeship system in the industry. It was further recommended that the scheme should be worked in close co-operation with the Juvenile Employment Committees in various parts of the country.

Agreement was not reached on recommended rates of payment; and the Report has yet to be put into operation.

The Technical Section of the *Paper Makers'* Association has recently appointed a special Sub-Committee to consider the question of the education of the workpeople in the industry. This matter came before the Joint Industrial Council for the industry in July, 1922, and in response to an invitation from the Committee for the support and co-operation of the workpeople, the Workers' Side of the Council appointed four representatives to work in conjunction with the Sub-Committee. One difficulty which the Committee has set itself to overcome is the necessity for bridging the gap at present existing between the standard of the elementary school and the lowest standard of technical classes. The Sub-Committee is proceeding with the preparation of a preliminary text-book on papermaking of a very elementary nature, so that it may be readily understood by those whose general education is not far advanced. A syllabus of advice for home study is also being compiled with a view to helping workers in isolated mills who are unable to attend technical classes.

In April, 1919, the attention of the *Pottery* Council was directed to the Education Act of 1918 in which considerable interest was shown by both sides. The Council communicated with the Board of Education and with the Local Education Authorities and joint conferences with these authorities were held. As a result, the Research Committee of the Council was instructed to prepare a report on the curricula for elementary schools and for the proposed continuation classes. The report of this Committee was presented to the Council in July, 1919, and widely circulated, both to the Educational Authorities in all areas in which pottery work is carried on and throughout the industry generally. The work of the Committee was continued during the following winter in regard, more especially, to continued education for pottery workers, and a second report was presented in June, 1920.

In its first report, the Committee had made suggestions as to the general training of juveniles in elementary schools, and compulsory day continuation schools up to the age of 16. The recommendations of this report refer, among other matters, to the importance of physical training, medical service, practical work and, where necessary, the provision of meals. Education in the Committee's opinion should be of a non-vocational character up to the age of 16. In its second report, the Committee made suggestions for the supplementing of this education by voluntary vocational training in the evening and suggested curricula for courses of a commercial character and of a technical character (including works' calculations and drawings, technical science and the various processes of the industry and also in art craftsmanship as suitable to the industry). The question of full-time education in technical or secondary schools after the school-leaving age was considered and the report included a statistical review of the employees under 18 years of age in the various centres of the industry, compiled with a view to estimating the probable demand for such education. The Committee also examined the scope of employment in the industry for youths of average ability and train

ing and concluded from a review of existing data that there should be no difficulty in absorbing a larger proportion of more highly trained young persons. The report was brought to the notice both of the industry generally and of the Educational Authorities and was very favourably received.

In pursuance of the recommendations contained in the Report, the Council, in 1922, offered an open Technical Scholarship of £50 per annum tenable for three years to candidates over 16 years of age and already in the industry, and giving evidence of satisfactory general education and prepared to answer questions in elementary Chemistry and Physics, including heat; the selected candidate being required to attend at the Central School of Pottery, Stoke-on-Trent, for at least five half days per week or the equivalent and to spend the remaining five half days per week in practical work in a pottery. This Scholarship was awarded and became operative in September, 1922. The Stoke-on-Trent Education Committee was also induced to offer a Technical Scholarship of £50 tenable for three years which, however, was confined to young persons whose parents or guardians were resident in, or ratepayers of, the County Borough of Stoke-on-Trent. This Scholarship also was awarded in September, 1922.

The question of apprenticeship in the industry has also received considerable attention from the Council. This question was a somewhat complicated one owing to the previous absence of uniformity in the industry, especially in regard to indentures. A draft code of rules governing the employment of apprentices and the rates payable was submitted for joint consideration by the operatives' side of the Council in May, 1920, and formed the basis of a protracted series of negotiations. It was eventually decided in January, 1921, that the scheme originally submitted should be re-drafted and submitted to the manufacturers in a completed form. The matter was somewhat delayed owing to the other tasks on which the Council was engaged and to certain difficulties arising in the industry, but Rules for the regulation of apprentices in the Pottery Industry have now been accepted by the Manufacturers' and Operatives' Sections and adopted by the Council under which a Special Committee has been set up to deal with all matters in so far as they come within the Rules and to make any recommendations as to alteration or amendment of or addition thereto. The Rules contain basic principles on which a scheme can be extended to meet conditions which may from time to time arise, and provide, amongst other things, that during the term of apprenticeship, the employer shall as far as may be practicable, give every opportunity and facility to the apprentice to learn the trade to which he is apprenticed, in such progressive stages as may be necessary to enable him to become an efficient craftsman.

Meanwhile, a somewhat interesting development had taken place. Particulars of a First Aid course established at the Technical College, Huddersfield, were sent to the Research Committee of the Council and it was intimated that the Local

Education Authority at Hanley was ready to organise classes of a similar nature for pottery workers. The suggestion met with the active support of the Council and winter classes are being held. The attendance at these courses was considered very satisfactory by the Council and efforts have been made with success to extend their formation in other centres of the industry.

The conditions governing apprenticeship in the *Printing* industry were reviewed by a Committee of the Council in February, 1920, and considerable attention was given to a report of this Committee dealing, among other matters, with the number of apprentices to be admitted to the trade and the nature of the training to be given. It appeared, in the subsequent discussions of the Council, that practice in regard to the allocation and indenturing of apprentices varied considerably as between the different localities and the Council considered the application of certain general principles as to indenture and the transfer of apprentices from shop to shop in order to provide a thorough general training. In January, 1921, the question was again raised on the Council and an account was given of a new scheme of indenture which had in the meantime been adopted in one section in the industry. The Council appointed a joint Committee to consider and report upon the whole subject and a report of progress was made by this Committee in April, 1921, a proposed scheme being based on the building scheme outlined above, with appropriate alterations. In submitting their interim report, the Committee intimated their intention of proceeding with the consideration of further questions, such as a scale of wages for apprentices, a model indenture, and the best method of dealing with those youths in the industry for whom continuity of employment might not be available. Interest in the general question of training and apprenticeship is considerable on both sides of this Council but the question is complicated by the variety of crafts concerned in the industry and the difference of practice between them in this respect. The Committee is continuing with the preparation of a scheme.

At a meeting of the *Surgical Instruments* Industrial Council in October, 1920, the employers put forward a scheme for the training of apprentices, having regard to the fact that the Education Act of 1918 required that boys leaving school at the age of 14 would have to attend continuation classes. The scheme suggested that, in addition to the compulsory attendance at continuation schools, two evening classes a week were desirable for boys up to the age of 16. The matter was discussed by the Council and in January, 1921, a revised scheme for the training of apprentices was considered in conjunction with proposals for the inclusion of technical education in the terms of agreement of apprentices. The Council decided that, while attendance at evening classes should not be made a condition of the terms of agreement, it should be encouraged. This Council has also at several meetings had under consideration the proportion of boys to men employed in the industry.

The *Tin-mining* Industrial Council agreed at its second meeting in February, 1919, to co-operate with the School of Mines in obtaining suitable candidates for the scholarships offered by the County Education Authorities.

The question of juvenile employment was considered throughout 1919 by a Sub-Committee of the *Vehicle Building* Industrial Council, which in November of that year made certain recommendations as to the use of indentures (for which a model form was submitted), the term of apprenticeship, the provision of certificates for apprentices and other matters. These recommendations were considered by the Council in February, 1920, and agreement was reached as to a scale of payment for apprentices. The subsequent break-up of this Council prevented further action being taken in the matter.

Chapter V.

Welfare, and Allied Topics.

The subjects dealt with in the present and the succeeding Chapter (safety, health and welfare, commercial and other problems relevant to the smooth and efficient working of industry) further illustrate the activities distinguishing Joint Industrial Councils from the Voluntary Conciliation Boards which, while providing the chief machinery for the discussion of differences between employers and workpeople before the war, limited their scope mainly to questions of wages and working conditions. These various matters have engaged the attention of a considerable proportion of the Joint Industrial Councils either on their own initiative or frequently at the instance of the Government Department concerned. In pursuance of the recommendations of the Whitley Report and of the Government's undertaking to recognise the Councils as the official standing Consultative Committees on all future questions affecting the industry which they represent, the Government Departments have from time to time referred to the Councils for consideration proposed executive action or legislative measures.

Safety, Health and Welfare.

In reviewing the work undertaken by Joint Industrial Councils in the interests of the safety, health and welfare of workpeople, it may be well to glance at the history of the movement during the years preceding their institution. The first Annual Report of the Industrial Fatigue Research Board contains a brief historical statement which may be summarised as follows :—The scientific study of the laws governing the healthy employment of the human mind and body in industry was strangely late in its development in this country, although it was in Great Britain that the industrial revolution had its first beginnings and industrial development was most rapid. Even in the long parliamentary battles fought during the nineteenth century upon the specific question of the reduction of the daily hours of work, no appeal was made by either side to the laws of physiology or to the test of experiment, and it was not until 1893 that Messrs. Mather and Platt of Manchester conducted their pioneer experiment. Upon the basis of the Manchester experiment, an 8-hour day was introduced into the Government arsenals and shipyards. The results gained by Messrs. Mather and Platt did not, however, lead to any general adoption by engineering or other firms of the analogous methods or to any organised scientific study of the subject either by the Government or private firms.

Similar work had been undertaken meanwhile in other countries who were our rivals in industry. In America, investigations of this kind were actively forwarded, and in the years before the war many organised studies in the science of industrial physiology had been made there and in Germany.

The first steps in the direction of a systematic study of industrial fatigue in this country were taken in 1913, when the Home Office accepted an offer made by Dr. A. F. Stanley Kent, Professor of Physiology at Bristol University, to undertake a series of experiments on behalf of the Department in connection with industrial fatigue, and in the same year when the British Association, at its annual meeting, appointed a Research Committee for the purpose of investigating fatigue from the economic standpoint.

Subsequently, the Health of Munitions Workers' Committee between 1915 and 1917 carried out research into the effect of long hours of work upon output, upon accident incidence, and upon sickness and lost time in munition factories. On the disbandment of this Committee at the end of 1917, the Medical Research Committee and the Department of Scientific and Industrial Research, with the active encouragement of the Home Office, decided to investigate the subject of Industrial Fatigue on more comprehensive lines and in July, 1918, jointly appointed a Research Board with the following terms of reference :—

> "To consider and investigate the relations of the hours of labour and of other conditions of employment, including methods of work, to the production of fatigue, having regard both to industrial efficiency and to the preservation of health among the workers."

Since the establishment of Joint Industrial Councils the Industrial Fatigue Research Board, in cases where an investigation was proposed or in progress, has sought the collaboration of the Industrial Council for the trade in question. This has been freely given, and representatives from both sides of the Council have been appointed as panel members to the investigating body, to give advice and assistance with all means in their power and in particular to facilitate the enquiry by enlisting the co-operation of employers and workpeople.

The more specialised activities of the Industrial Fatigue Research Board are supplemented by the functions of the Home Office in regard to safety and welfare. This Department may,

under Section 7 of the Police, Factories, &c. (Miscellaneous Provisions) Act, 1916, issue an order requiring the occupier of any factory or workshop to make provision as may be specified in the order, for securing the welfare of the workers. In this connection, the Home Office encouraged the general formation of Safety Committees and, at an early period in the life of each Council, offered help and advice in any investigations that the industry might make with a view to improving the conditions of the workers. In addition, the Factory Inspectorate of the Home Office availed themselves of the opportunity afforded by the Councils of enlisting the sympathy of those bodies. The Councils provided a means of discussion with an industry to which it was proposed to apply Safety Regulations, and as to the applicability of regulations or orders which had already been applied to industries where somewhat similar processes were in operation or where similar conditions existed. Conversely, the Council could suggest to the Home Office means by which their regulations could be more effectively enforced and could recommend closer and more frequent inspections in cases where these regulations were difficult to carry out.

Parallel with these activities was the " Safety First " Movement which was devised originally to lessen the risk of accidents arising out of London street traffic. The movement had made itself felt in a few industries before the war, but it was not until the formation, at the end of 1918, of the British Industrial Safety First Association that it was extended to industry. It is believed that very many of the accidents in and about factories are due, not so much to defective machinery or inadequate safeguards, as to carelessness and want of thought on the part of the worker. Familiarity with danger breeds contempt, and the workman, used to the noise and stir of machinery and deft at handling his own part of it, may, for example, attempt some trifling repair near a running shaft without exercising due care and be killed or seriously injured in a moment. The reduction in accidents in the London streets and tubes noticeable during recent years encouraged the British Industrial Safety First Association to carry their propaganda into industry, and the Joint Industrial Councils, with their interest in and experience of the working conditions of factory life, offer a wide field for work of the kind. Many Councils have shown an active interest in safety questions, and the Association is developing a propaganda campaign in favour of its objects in most of the industries covered by the Joint Industrial Councils movement.

Referring to another branch of industrial activity—the mining group—it may be observed that Section 4 of the Mining Industry Act, 1920, instructs the Board of Trade to set up Committees to advise and assist the Board on matters connected with their powers and duties under the Act relative to the coal industry and to the metalliferous mining industry respectively. On the Advisory Committee for the latter industry, two members were appointed to represent the Joint Industrial Council for the *Tin*

Mining Industry. This Advisory Committee has dealt with such matters as the collection of statistics and has emphasised the need for returns of underground and surface workers; it has also devoted some attention to the health and welfare of workers. The Joint Industrial Council for the *Quarrying* Industry, although not represented on the Committee, has been consulted by the Board on matters falling within the purview of the Council.

Independently of co-operation with Government Departments, many Councils have on their own initiative discussed welfare measures with a view to the improvement of factory conditions, but the activities of the Councils in regard to welfare have been limited by the abnormal conditions of the past few years. Although the Councils might fully appreciate the need for alterations in buildings and workshops for the better accommodation of the operatives, employers were debarred during the war from undertaking any such work by the shortage of building labour, which shortage was emphasised during the ensuing trade boom, and subsequently all industries have been faced with other difficulties which effectively prevented any extensive alteration of premises. In most cases it has, therefore, been possible to carry out improvements only within the existing workshops; and plans for structural improvements have of necessity remained in abeyance.

Details of the activities of certain Councils in this direction may be of interest as showing how, in spite of trade depression and the resultant prominence of wages questions and unemployment, Whitley Councils have considered what may be called the social relations existing between employers and employed and taken steps to improve them. An indication of the general interest in this subject is shown by reference to a lecture by C. S. Myers, C.B.E., M.D., D.Sc., F.R.S., on " Industrial Efficiency from the Human Aspect," given at a meeting of the Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees in March, 1921.

At the second meeting of the Industrial Council for the *Boot and Shoe* Industry, held on 7th July, 1919, an officer of the Department of Scientific and Industrial Research addressed the Council on the subject of the Industrial Fatigue Research Board which was at that time conducting an investigation into the industry. The Council agreed to request the Board to continue its researches, and two of its members rendered valuable assistance as panel members thereon. At the same meeting, a small Sub-Committee was constituted, at the suggestion of an officer of the Home Office, to examine the matter of factory improvement and report to the Council, with special reference to the desirability of introducing improvements in lighting, ventilation, and dust extraction, and the examination of consumptive workers.

The Sub-Committee divided its work into two sections—(1) improvements which could be brought about without structural alterations of any magnitude, and (2) improvements necessitating structural alterations on a large scale. For the latter, which involved the consideration of methods of exhaust for dusty pro-

cesses, air inlets for the rooms from which dust is exhausted, methods of securing 3,000 cubic feet of fresh air per head per hour, etc., the Committee found that it would be necessary to make an investigation of existing factories, and no report on the matter has yet been presented to the Council. As to the first mentioned branch of their work, the Committee recommended to the Council the following improvements in existing or anticipated conditions :—

An interval of ten minutes in the morning for the workers' lunch.

The medical examination of all children on entering factories and their further examination at the ages of 16 and 18.

The prohibition of underground workrooms in *new* factories and the abolition of underground workrooms in *existing* factories after 3 years, unless a certificate from an Inspector of Factories declares such rooms to be still fit for occupation.

Adequate artificial lighting to be so arranged as not to fall directly into the eyes of the workers.

Cleanliness of windows, walls, tops, and floors.

The provision of ample washing accommodation, including soap and towels.

Where an ambulance room does not exist, the provision of a first aid box for every 150 workers.

The separation of gas and oil engines from workrooms so as to ensure purity of air.

The Committee further advised more frequent inspection by the Home Office and recommended that the Industrial Council should consider the working conditions of home workers.

In addition to adopting the above findings of the Sub-Committee, the Council recommended that a person wishing to set up a business should inform the Home Office of his intention and give the address of the premises he intended to occupy, and that the Home Office should take powers to require a certificate from an inspector as to the fitness of such premises before they were used.

Meanwhile, the investigations of the Industrial Fatigue Research Board were being conducted along lines of an examination of the conditions under which work was carried on, with a view to ascertaining the factors tending to increase the comfort of the worker, reduce fatigue, and thereby increase productive capacity. An exhaustive inquiry into the atmospheric condition in boot factories led the investigator to the conclusion that an atmosphere which will help to sustain physical energy should be cool rather than hot, dry rather than damp, and there should be brisk air movement. (*See* Reports Nos. 10 and 11 of the Industrial Fatigue Research Board.)

In the spring of 1919, the Industrial Council for the *Building* Industry appointed a Safety and Welfare Committee to investigate and report on working conditions in the industry and in July of the same year, the first report of the Committee, dealing with safeguards for workers at wood-cutting machines, was submitted to the Council. An official of the Home Office had assisted in the

preparation of the report, and representatives of the *Furniture Manufacturing* and *Sawmilling* Joint Industrial Councils, together with representatives of the National Federation of Saw Mill Proprietors of Great Britain and Ireland and of the Amalgamated Society of Wood-cutting Machinists, had been appointed to sit on the Committee during its deliberations. The Committee had also been in conference in Manchester with some of the principal makers of wood-cutting machines and discussed with them proposed safeguards for such machinery. The report specified the kind of guards which the Committee considered suitable to the various types of machine and made recommendations as to the general precautions to be taken in workrooms. The Committee further advised that manufacturers should be required to supply safeguards with the machinery produced and that powers should be taken to enforce this requirement. Draft Regulations on this subject have since been given statutory effect.

A further report of the Safety and Welfare Committee, dealing with safety considerations in the structural side of the building industry, was adopted by the Council in May, 1920, and draft regulations were drawn up as to the provision and maintenance of safe and adequate scaffolding, platforms, gangways, &c. The Secretary of State for the Home Department adopted the draft regulations with minor amendments but, owing to certain objections, the Regulations are not yet operative.

At the end of June, 1922, the National Federation of Building Trades Employers withdrew from the Council, but consideration is being given to the question of continuing the work of the Council in connection with education, and safety and welfare.

The *Electrical Cable Making* Industrial Council, having referred to the District Councils a resolution on the subject, the District Councils recommended that overalls should be supplied free of charge to all employees engaged on dirty work, the question of what constituted dirty work to be referred to the District Councils. These recommendations were accepted by the Council in August, 1920, and it was agreed later that they should apply to women as well as men.

The *Chemical* Industrial Council decided on 3rd April, 1919, that Safety work should be done by Works Committees.

Various complaints having been received as to the conditions under which work had to be done in some cases, the District Council for the *Cooperage* Industry for London, Eastern, Home and Southern Counties passed the following resolution on 15th October, 1920 :—

> " This Council recommends that all employers of Coopers shall do their best to render shop conditions as comfortable as possible."

At the second meeting of the *Flour Milling* Industrial Council on 22nd July, 1919, an officer of the Home Office outlined the manner in which the Council could be of assistance to his department. He stated that the Home Office would welcome the advice of the Council in dealing with such questions as health of the workers, sanitation, ventilation, dust extraction, occupational

diseases, accidents and the standardisation of machinery fencing. Reference was made to the frequent lack of bakers' unloading appliances, which obliged men to carry heavy sacks for long distances and up steps and ladders. This matter was taken up with the Home Office, and at a further meeting on 27th February, 1920, the Council accepted a suggestion made by that Department whereby sacks containing 224 lbs. of flour should be employed only where mechanical appliances for handling them were available, sacks containing 140 lbs. to be used where delivery had to be made by hand.

The activities of the Joint Industrial Council for *Furniture Manufacturing* in this direction may be summed up in an extract from the 1919 report of the Chief Inspector of Factories :—

> "Furniture Trade.—The Council appointed a Committee to consider a report on the conditions of work in glass bevelling. Complaints had been made that the conditions were unsatisfactory and a special enquiry was undertaken by Mr. Beard (East London). His report furnished evidence as to the need for improvements, and it was found advisable to consult the Council as to the manner in which these could best be effected. The Committee's report contained important recommendations relating to cleanliness, ventilation, lighting and general welfare conditions, but some of their proposals cannot be enforced under the existing law. Copies of the report have been issued to the Inspectors, with instructions to take all practicable steps to give effect to the recommendations that have been made."

In 1921, the Home Secretary issued an Order [Statutory Rules and Orders No. 288] under the Police, Factories, etc. (Miscellaneous Provisions) Act, 1916, relative to the welfare of workers employed in factories or parts of factories in which the bevelling of glass and processes incidental thereto are carried on.

The Committee also referred to the Departmental (Home Office) Committee on Lighting in Factories and Workshops the problem of the lighting of glass bevelling shops. The Departmental Committee in their Report [Cmd. 1686 of 1922] stated that their observations and experiments satisfied them that a bare light source was unnecessary for examination of the glass during the process of bevelling and they made recommendations accordingly. They also emphasised the necessity of the work of glass bevelling being carried on, wherever possible, in workshops in which adequate daylight is normally available.

The Interim Industrial Reconstruction Committee for *Furniture Warehousing and Removing* suggested to the Ministry of Health that all high buildings should be provided with lifts strong enough for household effects, including pianos. The Ministry replied, however, that it had no powers in the matter and that legislation was not contemplated.

Pamphlets on Safety Conditions in Factories and Workshops circulated by the Home Office to members of the *Glass* Interim Industrial Reconstruction Committee were considered on 11th

November, 1919, when the Committee held the view that they were questions rather for local decision than for decision by a national body such as the Interim Industrial Reconstruction Committee. It was accordingly agreed that they should be referred to the various districts in which the trade is carried on, and that reports as to the setting up and progress of Safety Committees should be furnished to the Interim Industrial Reconstruction Committee (now a Joint Industrial Council) for consideration every quarter.

As a result of a conference of the " Safety First " Association, the *Glove* Interim Industrial Reconstruction Committee, which later became a Joint Industrial Council, decided in November, 1920, to constitute a small Sub-Committee to prepare a national scheme of welfare and " Safety First " measures to be carried out by Works Committees in all factories. The Industrial Fatigue Research Board was also invited to make an enquiry into the trade.

A meeting of the *Wrought Hollow-ware* Joint Industrial Council in October, 1919, at which a representative of the Home Office was present, discussed a proposed Welfare Order and the Council made several useful suggestions which were adopted by the Home Office. When, however, the Draft Order was issued in accordance with Statute, a number of important objections were raised, and during the consideration of these objections a widespread slump in trade developed rendering it necessary to postpone the issue of the final Order.

The *Lead* Manufacturing Council, at that time an Interim Industrial Reconstruction Committee, had under consideration at meetings in November, 1920, and subsequently, the legislation which resulted in the Women and Young Persons (Employment in Lead Processes) Act. The Act which was passed in December, 1920, gave legislative effect to a recommendation of the Washington General Conference of the International Labour Organisation of the League of Nations, and had for its object the prohibition of the employment of women and young persons in certain processes connected with the manufacture of lead, and the regulation of their employment in processes involving the use of lead compounds. The Council held the view that the Bill was open to objection, as originally drafted, and steps were accordingly taken to secure the introduction of amendments.

In the *Match* Manufacturing Industry, Works Committees set up by the Industrial Council have discussed welfare matters and in some cases appointed special Safety Committees of the workers' representatives to make suggestions to the management regarding additional safeguards against accidents.

The *Paper-making* Joint Industrial Council formed in October, 1922, a Central " Safety First " Committee for the purpose of investigating the methods adopted in the mills for the prevention of accidents and of drafting a set of rules for the use of workers.

The Interim Industrial Reconstruction Committee for the *Patent Fuel* Industry were requested by the Home Office during

1919 to take into consideration remedial measures for the elimination of "pitch cancer." Both employers and workpeople were eager to take all necessary steps, and special surgeons were appointed at each centre to whom workers could submit themselves for examination, and, if necessary, for treatment.

The National Council of the *Pottery* Industry in February, 1918, set up a Research, Inventions and Designs Committee, whose work on education has already received mention in this Report. In collaboration with the Industrial Fatigue Research Board, two lengthy investigations were carried out, one into the atmospheric conditions in potters' shops, dealing with the questions of over-heated shops and particularly the likelihood of ill-effects on health and general fitness arising from back draughts of vitiated air from the drying stoves into these shops, by H. M. Vernon, M.D., and Mr. T. Bedford, investigators to the Board; and the other as to the efficiency of various types of drying stoves by H. M. Vernon, M.D. Reports on these investigations have been issued by the Industrial Fatigue Research Board (No. 18—Potters' Series No. 1) and contain facts and figures of interest in relation to a large and difficult problem. Independently of these, the Research Committee has itself made close investigation into the question of the construction and ventilation of Potters' drying stoves with a view to recommending a type (or types) most suitable for general use in the industry and which, whilst efficient from the point of view of drying, is also satisfactory from the point of view of the health of the worker, and has issued two Interim Reports which have been widely circulated amongst all connected with, or interested in, the subject.

The Committee also drew up provisions for Welfare Work in Potteries, which were adopted by the National Council and accepted by the British Pottery Manufacturers' Federation. Their recommendations have been put into force by a majority of the federated firms and provide for (*a*) arrangements for the preparation of heating and taking of meals; (*b*) the supply of drinking water; (*c*) the supply of protective clothing at cost price to the workers; (*d*) ambulance and first aid arrangements; and (*e*) seats in workrooms for women and young persons where desired. Other recommendations of the Home Office, such as schemes for the medical inspection of young persons before and after engagement with a view to placing them in work most suited to their physical condition, and the provision of canteens and of facilities for baths, rest and physical training for adult workers, have received the sympathetic support of the Committee who promised to co-operate with the Home Office in putting them into operation.

The report of H.M. Deputy Chief Inspector of Factories, issued in 1919, gives a detailed account of the welfare activities of this Council and may be quoted here :—

" (1) Health Conditions in Factories.—Two separate pamphlets were prepared, giving hints on the preservation of health, suggestions as to how to avoid making and breathing injurious dust or contaminated air, and advice in regard to securing the fullest advantages of the provisions in force respecting ventilation, cleanliness, &c., of pottery shops. These pamphlets have been circulated among the operatives.

" (2) Potters' Drying Stoves.—As it was felt that unsatisfactory types of drying stoves have contributed largely to the production of an unhealthy atmosphere in potters' shops, even when the Regulation as to direct ventilation to the open air is complied with, an investigation was undertaken by a special committee. After numerous visits to factories, and discussions of the problems involved, this committee has published an Interim Report in which most valuable information is given regarding modern types of stoves which are not only far healthier for the workers, but which also utilise the heat for drying with less wastefulness. This report advocates totally enclosed types of stoves for all new erections, and also offers suggestions as to practical methods of improving the types of stoves at present generally in use. The committee expresses the definite opinion that no stoves can be regarded as sufficiently ventilated unless back-draught from the stove into the workroom is practically eliminated. This, in fact, lays down a very high standard, and if all potters' stoves can in the near future be brought into line, it should result in a very material improvement in the average health conditions of potters' shops. The committee, in the course of their investigation, were necessarily brought into touch with other problems of heating and ventilation, which they hope to follow up in due course.

" (3) Welfare.—The National Council have approached the whole subject of welfare with considerable interest, and arranged in the first place for Dr. Eichholz to deliver a lecture on health, and for Dr. T. M. Legge to speak on welfare. Both these addresses were delivered to a full meeting of the National Council, to which additional manufacturers and others interested were specially invited. In addition, the Council arranged for a public lecture on welfare work, which was given by Dr. E. L. Collis in December last. The interest displayed throughout in this subject has led to the appointment of welfare supervisors in several of the larger factories.

" (4) Police, Factories, &c. (Miscellaneous Provisions) Act, 1916.—A committee of the Council have had under consideration for some considerable time the drafting of a set of welfare regulations which the National Council should be asked to approve as suitable for the

pottery industry. Many of the clauses are still under consideration, but the manufacturers have signified their agreement with the operatives on the general principle that a code of welfare provisions should be adopted in the industry; when the discussion on drafting has been completed, there is little doubt that a code will be evolved which will include most of the provisions of the welfare orders already applied in other industries, but modified where necessary to meet the peculiar conditions of the pottery industry.

[As indicated above, the recommendations of this Committee have since been adopted by a majority of the federated firms.]

" (5) First Aid.—The first aid provisions of other welfare codes were at once accepted without modification. In view of this, efforts were made in advance by the Secretary of the National Council to provide for pottery first aid classes; in this the Council secured the sympathetic support of the Stoke Education Committee, and first aid classes for pottery operatives have been conducted during the session 1919-20 at the Hanley Technical School. The Council arranged for the opening lecture of the series to be delivered by Dr. J. C. Bridge.

" (6) Pottery Regulations.—The war-time relaxations of these Regulations were introduced by agreement between the employers and operatives before the formation of the National Council, but the question of the date of their termination was referred to the Council. After careful consideration the Council unanimously recommended 31st October last as the date on which the latitude should cease. This recommendation was duly acted upon, and its wisdom has been amply demonstrated by the comparative smoothness of the transition back to pre-war conditions.

" (7) Works Committees.—The Council have done all in their power to encourage the formation of Works Committees on sound lines, and a number are now getting into working shape. While the Council anticipate that Works Committees will deal with a much larger range of subjects than would come within the scope of a Safety First Committee, they have not lost sight of the desirability of including a close attention to the prevention of accidents in the routine duties of this Committee. As compared with many other industries, pottery factories, generally have a low accident incidence. Many, however, of the accidents which do occur are of a nature which could be best dealt with by an energetic Works Committee. For example, accidents arising from the use of defective ladders or " horses " could be reduced to a minimum

if Works Committees would arrange for the periodical examination and testing of all such apparatus.

" (8) Particulars.—The question of applying the Particulars Clause to the pottery industry has been brought before the Council, and has been referred by them to a suitable sub-committee. As in the case of welfare, the associated employers have accepted the principle, and the committee are at present engaged in drafting paragraphs to meet the conditions of piece-work in the potteries. These will shortly be submitted to H.M. Chief Inspector for an opinion as to whether they could be embodied in an Order applying the Particulars Clause to potteries, if and when such an Order is made."

The paragraphs referred to immediately above were duly submitted to H.M. Chief Inspector of Factories and embodied in the Pottery " Particulars Order " dated 31st March, 1922, applying as and from 1st July, 1922, the provisions of Section 116 of the Factory and Workshop Act, 1901, with modifications to factories and workshops in which the manufacture or decoration of pottery is carried on.

In 1922 the Research Committee considered at great length the effect of industrial conditions on the health of young persons and eventually the Council adopted the following recommendation and made representation to the Home Office accordingly :—

" That with a view to effecting an improvement in the general health of the workers in the Pottery Industry, the National Council be recommended to make representation to the Home Office that an extension of the provision now made for the medical inspection of factory workers is needed in order to secure—

(*a*) a more thorough medical supervision of young persons entering the industry, and

(*b*) a more efficient and thorough examination of all lead workers,

and that pending such extension, steps be taken to secure the greatest possible efficiency under the existing provisions."

This Committee is also charged with the responsibility of making investigations into the question of " prevention of dust throughout the factory " and " the efficient collection of flint dust," both of which subjects have a material bearing upon the health of the worker. It is also co-operating with the Home Office on the question of the lighting of factories and workshops, and as an industry particularly affected by the recommendations contained in the report of the Departmental Committee—in view of certain processes involving " fine " or " very fine " work—has undertaken to make observations and obtain further information before definite minima are fixed for illumination in such classes of work.

The Pottery Council has also interested itself in the question of Old Age Pensions and has passed resolutions supporting the principle that Old Age Pensions should be granted on the age qualification only.

The subject of superannuation is also engaging its attention and at the present time enquiries are being made as to the possibility of evolving schemes of superannuation which might be adopted for individual firms or for the industry as a whole.

With the object of creating a closer social feeling in the industry, the Council has initiated an interworks Football Competition between football teams attached to firms affiliated to the National Council. It is understood that competitions in other sports may be attempted and social work of other descriptions catered for.

In order to keep its members well informed and to bring various matters prominently before those engaged in the industry, the Pottery Council since January, 1920, has arranged for addresses to be given on different subjects of interest, at the conclusion of its quarterly meetings. A number of addresses so given have dealt with welfare matters.

A particular aspect of taxation arose out of the work of the Executive Committee of the Pottery Joint Industrial Council who, when considering the structural changes necessary to convert an old-fashioned factory into the modern building best suited to the health and well-being of the workers therein, felt that expenditure on structural alterations and additions carried out for the purpose of meeting welfare requirements should be freed from taxation by being charged to revenue instead of capital. In furtherance of this aim, they enlisted the sympathy of other Joint Industrial Councils and of a number of Members of Parliament, eventually sending a deputation to the Treasury in the summer of 1921, when the possibility of relief offered by a clause in the Finance Bill was pointed out to them. The Pottery Council further submitted the following resolution to a meeting of the Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees on 20th September, 1921 :—

> " That strong representation be made to the Income Tax Commissioners to the effect that the cost of structural alterations or additions to factories for the purpose of meeting the welfare requirements of operatives be a charge on revenue and not on capital account as at present, and that a deputation be appointed to wait upon the Commissioners in relation thereto."

In the *Printing* Trade, the Health Committee of the Joint Industrial Council applied itself to safeguarding the health of those employed in the industry. A number of leaflets dealing with general health conditions have been widely distributed; among them may be mentioned leaflets on precautions against consumption and lead poisoning, and on overcoming the danger to health in bronzing operations.

A sub-Committee of the *Silk* Industrial Council appointed to collaborate with the Industrial Fatigue Research Board in any of its experiments and deliberations affecting the industry was concerned, in 1919, in an enquiry into silk weaving processes, in connection with which experiments were made by several firms with a view to diminishing dust in certain operations preliminary to the spinning of waste silk. A Report was published in 1920 (*see* Report No. 9 of the Industrial Fatigue Research Board). The Council was also represented on a Committee which considered a Report issued by the Board in January, 1922, being an analysis of the individual differences in the output of silk weavers. This Council further co-operated with the Industrial Fatigue Research Board in the classification of methods of illumination used in industries in which fine processes are carried on. It is interesting to note, in the consideration of welfare, that in Leek the Joint Standing Conference of Textile Industries, which represents among others the *Silk* and *Hosiery* activities of that town, drew up in the summer of 1920 a " Hospital and Convalescent " Scheme, under which operatives contribute 1*d*. per week into a fund for securing to themselves and their dependents free medical attention in certain of the local institutions and employers contribute one-third of the amount annually subscribed by their employees.

At the end of 1919, the Home Office consulted the *Iron and Steel Wire Manufacturing* Industrial Council as to the applicability to the industry of a draft Order proposing the obligatory adoption of certain conditions by all firms engaged in the galvanising of wire. The draft had been framed as the result of detailed investigation of conditions in the tin plate trade, and the Home Office were prepared to suspend the application of the Order to the wire trade, pending an investigation into the conditions thereof by the Council, in which the Department would co-operate. The Council concurred and deputed their Executive Committee to investigate the general conditions under which the wire industry is carried on, both in regard to galvanising and otherwise.

The report of the Inspector of Factories, who, with the assistance of representatives of both sides of the Council, carried out this inquiry, comments favourably on the rebuilding and alterations in course of progress at nearly all the works inspected, which were calculated to add much to the comfort and welfare of those employed. " It was noticed that particular attention was directed in these improvements to the mechanical movement of materials throughout the mills. . . . Canteens and messrooms formed part of the factory equipment in a minority of the works visited. Several excellent examples of canteens were noticed, but in only two cases was it considered by the firm that this provision was sufficiently appreciated by the workpeople. To be a success, a canteen must be on fairly extensive lines and must be well patronised or a considerable loss in working will occur. If under the management of the Works Committee, its success is more

likely to be ensured. . . . Works Committees were found established at eleven mills and in every case were apparently doing good work. A Secretary had been appointed and minutes of the meetings were duly kept. These Committees meet monthly as a general rule. The comfort and welfare of the workers were undoubtedly increased by their establishment and better care of the works plant is ensured."

Certain suggestions embodied in the report for improving the sanitary and washing accommodation, ventilation and the cleaning of floors, etc., have been circulated by the Council to all firms.

The Chief Inspector of Factories in his annual report for the year 1920, in referring to the foregoing investigation stated: "This report has been adopted by the Council and is to form the standard with which individual firms will be expected to comply, and the Council suggest that any cases where the Factory Inspectors fail to secure compliance should be notified to them. It is not considered desirable that a statutory Welfare Order should be made as long as the voluntary arrangement succeeds. It certainly is an interesting experiment and is a good example of the new spirit in industry."

Women and Young Persons on the Two-Shift System.

Previous to the war, the employment of women on the shift system was precluded for all practical purposes by the provisions of the Factory and Workshop Act, 1901, which (subject to certain exceptions) require that (1) in each factory or workshop employing women and young persons there shall be fixed a daily period of employment within the limits 6 a.m. to 6 p.m., 7 a.m. to 7 p.m., or in the case of non-textile works, 8 a.m. to 8 p.m., and (2) that the hours of work and intervals shall be the same for all women and young persons employed.

During the war, the imperative need for the maximum production of munitions and other supplies necessitated the widespread adoption of the employment of women and young persons on the shift system, and sanction for their employment was given by Orders issued by the Home Office. In the early part of the war, the system chiefly adopted was that of two alternating day and night shifts, but later on, the two day and night shifts were replaced to a considerable extent by a system of three 8-hour shifts, and when night work was not necessary, by a system of two day-shifts.

After the war, numerous applications began to be received at the Home Office for leave to employ or to continue to employ women on shifts for purposes of peace production. So far as these applications involved night work the Home Office was not disposed to entertain them, but the prospect of serious unemployment among women, and the necessity in the national interest of increasing production, both to meet home needs and also to re-establish our

export trade, and of facilitating the change over from the 12-hour to the 8-hour day, made out a strong case for permitting the employment of women in shifts, and the Home Office decided, with the concurrence of the Ministry of Labour, that it would be justified, at any rate during the transition period, in allowing the employment of women and young persons on a system of two day-shifts in suitable cases.

The whole subject was raised in connection with the introduction into the House of Commons in 1920 of the Women, Young Persons and Children's (Employment) Bill, designed to give effect to the Washington Convention. Arising out of discussions on the Bill, the Home Secretary appointed a Committee of investigation. Witnesses from the *Rubber* Industry placed before the Committee resolutions adopted by the Joint Industrial Council as follows:—

> "1. That this National Council agree to make representations to the Home Office that power should be given to Factory Inspectors to vary women's hours (when on women's work) on the understanding that women (and young persons) should not be allowed to work between the hours of 11 p.m. and 6 a.m.
>
> "2. That this meeting of the Edinburgh and East of Scotland District Council of the National Joint Industrial Council of the Rubber Manufacturing Industry is of opinion that the Women, Young Persons and Children's Employment Bill should contain a clause permitting the employment of women and young persons on two shifts between the hours of 6 a.m. and 10 p.m. The clause should give the Home Office power, on the application of an employer, supported by the operatives' representatives, to make an order granting an extension of the hours of employment under the Factory Act to the period 6 a.m. to 10 p.m. provided these hours were divided into two periods of separate shifts."

A sub-Committee to consider the Women, Young Persons and Children's (Employment) Bill was set up in the *Glass* Joint Industrial Council in May, 1920, as a result of a letter from the Ministry of Labour requesting the observations of the Council on the proposed measure. By Section 55 of the Factory Act of 1901, young persons above the age of 14 might work on day and night shifts in the Glass Industry, but under the Bill introduced by the Government it would be illegal for boys to be employed on the night shift between 10 p.m. and 5 a.m. Before the war, women were not employed in glass-houses at all, and the Council were on principle opposed to their continued employment, but, owing to the shortage of boy-labour, they sought permission, in cases where boys were not available in sufficient numbers, to retain women on day shifts. They had already arranged for the abolition of the system of night shifts for women and young persons. As a result of their exertions, a Special Order was made by the Home Secretary in December, exempting the industry from the provisions of the Act until 1st July, 1922.

Demobilisation and Resettlement.

As might be expected from the war conditions existing at the date of the establishment of the earlier Joint Industrial Councils, valuable work was done by a number of the Councils in connection with the selection of men for military and naval service, and when, in the demobilisation of the armed forces, an attempt was made first to release "pivotal" men, such Joint Industrial Councils as were then in existence were given an opportunity of putting before the Government the needs of the industry in respect of the classes and numbers of men then serving with the forces whose priority of release would enable the industry more rapidly and effectively to return to a peace footing, and at the same time assist in the reorganisation and recovery of other allied and dependent industries. Circular letters were issued to the Councils by the Ministry of Labour in November and December, 1918, requesting their co-operation. All the Councils supplied information and a number availed themselves of the opportunity that was offered of acting as central authorities for the release of pivotal men.

As an illustration of this type of work, the *Pottery* Council established a Demobilisation Committee, which in the first instance took over the duties of the Pottery Trade Standing Joint Committee which had been formed in April, 1917, for the selection of men from the various factories to meet military and naval requirements. Its duties were onerous. The functions ascribed to this Committee were "to prepare and carry out a scheme to meet the needs of the industry and find employment for men on being discharged and on demobilisation after the war," and in this connection it secured the early release of many pivotal men for the industry, and dealt with the absorption and training of disabled men. Later, under the scheme of the Ministry of Labour, this Committee became the National Trade Advisory Committee and as such supervises, throughout the country, the training and absorption of disabled ex-service men.

As a further illustration, the *Match Manufacturing* Council in November, 1918, while very anxious to secure the early release of certain types of workpeople as being necessary to the carrying on of the industry on an effective basis, considered that the total number of men (between seven and eight hundred) from the industry in H.M. Forces was too small to render it necessary to set up a Labour Resettlement Committee, and that the arrangements should be made by the individual firms and the secretary. In the following February, a conference was held between representatives of the Council and officers of the Ministry of Labour to consider the position of women workers in relation to the industry. It was generally considered that the trade could not employ additional women, although it would probably be able to re-absorb all women who left for munition work.

Another matter in which the Councils were able to give assistance to the Government in connection with the problem of after-war resettlement concerned the Ministry of Labour scheme for training *bonâ fide* apprentices whose apprenticeship had been

interrupted by service in His Majesty's Forces. The basis of the scheme was a system of continuous training in an employer's establishment, or, if found desirable, of part time training in a technical institution and part time in the shop, or, again, of whole time training in a technical institution. The scheme also provided for the payment of adequate wages by the employer at rates determined under the scheme and towards which the State paid certain wages and maintenance allowance. Special schemes were prepared by the National Industrial Councils and Interim Reconstruction Committees as representing the Associations of employers and workpeople in the following industries, and were approved by the Minister of Labour :—

Baking (Scottish).
Basket Making.
Bobbin and Shuttle-making.
Brush Making.
Building.
Cooperage.
Electrical Contracting.
Farriers and Blacksmiths.
Furniture Manufacturing.
Glove Making.
Heating and Domestic Engineering.
Made-up Leather Goods.
Music Trades.
Optical Instrument Making.
Pottery.
Sawmilling.
Silk.
Vehicle Building.
Wool (and Allied) Textile.

Joint Industrial Councils and Interim Industrial Reconstruction Committees have also assisted the Government schemes for the re-absorption of disabled men in industry by giving considerable publicity to the schemes and by advising as to their application to particular trades. The schemes were broadly two-fold, first to train men whose disability rendered them unsuitable for employment in their pre-war occupation but yet suitable for other employment, and secondly, to secure the absorption of disabled men in their pre-war or other appropriate occupation.

With regard to training, the Ministry of Labour was empowered to provide industrial training for disabled men who had served in the Imperial Forces during the war irrespective of whether their disability was attributable to or aggravated by war service provided that :

(*a*) in non-attributable cases the disability could be shown to have existed at the time of the man's discharge from H.M. Forces; and

(*b*) the man either (1) was medically certified to be unfit owing to the state of his health to resume work in the trade in which he was ordinarily engaged previous to his enlistment, or (2) could not resume it without diminution of earning capacity.

In providing and carrying out training, it was the policy of the Department to act in consultation with representatives of the employers and workpeople in the trades concerned, and for this purpose National Trade Advisory Committees were set up. In the *Pottery* Industry and the *Vehicle Building* Industry, these Advisory Committees were Sub-Committees of the respective Joint Industrial Councils.

With regard to the problem of the absorption of disabled men, the Ministry of Labour in July, 1919, circulated the Joint Industrial Councils with a view to securing their co-operation in an appeal to all employers in their respective industries to employ as many disabled ex-Service men as possible, with a minimum of 5 per cent. except where special circumstances connected with the industry concerned indicated that the percentage should be lower. Firms giving the necessary undertaking were to be eligible for inclusion on what became known as the King's National Roll. Some indication of the work of the Councils and of the assistance and advice given to the Ministry of Labour as to the appropriate minimum percentage of disabled ex-Service men which employers should reasonably be expected to employ in order to render them eligible for inclusion in the King's National Roll, is shown in the following notes.

The Joint Industrial Council for the *Boot and Shoe* industry made a statistical investigation into the numbers of disabled ex-Service men employed in the industry and found that the returns received indicated that 4·9 per cent. of the employees at the end of 1919 and the beginning of 1920 were actually in receipt of disablement pensions. The Council gave its formal approval to the principle of re-absorbing disabled men in industry.

Correspondence took place between the Ministry of Labour and the Interim Industrial Reconstruction Committee for the *Envelope Making and Stationery Manufacturing* Industry on the subject of the employment of disabled men up to 5 per cent. of the total number of employees. The Committee pointed out that 70 per cent. of the employees were women and offered to give 5 per cent. of the employment for males to disabled men. As the result of discussion, the Ministry suggested that the industry should absorb disabled men to the extent of 2 per cent. of the total employees, and this proposal was accepted by the Committee, on the understanding that fit men should not be discharged to make room for the men absorbed.

The Joint Industrial Council for the *Music Trades* agreed that disabled men should be employed up to 5 per cent. of the male employees in the industry, and that such proportion was, in fact, already employed. The Report upon openings for disabled sailors and soldiers in the Musical Instruments Trade prepared by the National Trade Advisory Committee was approved by the Council.

The *Needle, Fish Hook, Fishing Tackle and Allied Trades* Joint Industrial Council agreed that the remuneration of a disabled man should be fixed without regard to his disablement pension. The operations suitable for disabled men were discussed

and the matter referred to the Executive Committee, and eventually arrangements were made for a number of men to be trained in certain branches of the work connected with local industries.

The Executive Committee of the Joint Industrial Council for the *Paper Making* industry recommended that 5 per cent. of the male employees in the *Hand-Made Paper* Industry should be recruited from disabled sailors and soldiers.

Although the preponderance of employees were of the female sex, the *Pottery* Council undertook to absorb ex-Service men to the extent of 2½ per cent. of the whole of the employees in the industry.

When the question of absorbing a prescribed percentage of disabled men in industry was brought before the *Quarrying* Joint Industrial Council, the Executive Committee pointed out that quarrying was unsuitable work for disabled men, and in those cases where the work was in any way suitable a sufficient percentage had already been absorbed. After discussion by the Council it was recommended that disabled men should be absorbed up to 2 per cent. of the total employees. At a later meeting, it was shown that some quarries employed a much higher percentage of such men; at one quarry the percentage was as high as 10.

A sub-committee of the Joint Industrial Council for the *Rubber* Manufacturing Industry recommended to the Council that disabled men should be absorbed in that industry to a number representing 3 per cent. of the total number of employees, except in the waterproof garment making branch where a lower percentage was necessary owing to the large number of women employed.

The *Sawmilling* Joint Industrial Council recommended that its employer members should take on as many disabled men as possible.

The *Silk* Joint Industrial Council recommended that the industry should absorb disabled men to the extent of 5 per cent. of the adult males employed, and assisted the Training Department of the Ministry of Labour to draw up a scheme for the industry.

The *Wool (and Allied) Textile* Joint Industrial Council appointed a sub-committee for the Northern Counties to consider to what extent the industry could absorb disabled men, and remitted the same question to the Welsh and West of England District Council. As the result of the deliberations of the sub-committee and of the discussions of the Council, a scheme for the employment of disabled men was prepared which was regarded by the Ministry of Labour as very satisfactory. Advice was also given to the Ministry on the training of certain disabled men in Gloucestershire, weaving being recommended as a suitable occupation.

In addition it may be added that in December, 1919, the *Metallic Bedsteads* Joint Industrial Council adopted a detailed

scheme for the introduction of unskilled labour in the industry, the final paragraph of which read as follows :—

> That whilst recognising with regret that the Bedstead Industry is, owing to its arduous and dangerous character, generally unsuitable for the employment of disabled ex-Service men, this standing Joint Industrial Council recommends that wherever it can safely be done employers should engage a quota of such men, and that the workmen should assist to make such labour effectively useful.

Workmen's Compensation.

In May, 1919, the Secretary of State for Home Affairs appointed a Committee to enquire *inter alia* into the prevailing system of the payment of compensation to workmen for injuries sustained in the course of employment and to consider the desirability or otherwise of establishing a system of accident insurance under the control of the State.

In the course of its enquiries the Committee invited the views of the Councils on the subject. The particular points which the Councils were asked to consider are set out in the following extract from the letter addressed to them by the Committee :—

> " The Committee, after considering the procedure to be adopted in pursuing their enquiry, decided to deal first with the two following questions :—
>
> (*a*) the desirability or otherwise of establishing a system of accident insurance under the control or supervision of the State, and
>
> (*b*) the amount and form of the compensation or benefit which should be provided under the present system as established by the Workmen's Compensation Act of 1906 or under any new or modified system which they may decide to recommend.
>
> As regards (*a*), the main features in the present system of this country are that (1) the liability to pay the compensation falls entirely on the individual employer personally; (2) the employer may insure against the whole or part of his liability, but is under no legal obligation to do so; (3) no facilities for insurance are afforded by the State, and where the employer insures he does so with a private Insurance Company or Mutual Indemnity, whose conduct of the business is not subject to direct regulation by any Department of State.
>
> On the other hand, in certain Foreign States as well as in certain parts of the British Dominions abroad, there are systems of workmen's compensation, based generally on compulsory insurance, which are carried on directly under the control or supervision of the State. These systems are of various descriptions. . . . The Committee suggest that when dealing with this question your Council should have these alternative systems in view.

> The Committee would also be glad if your Council would have regard to the system of sickness insurance in force under the National Health Insurance Acts, and if they are in favour of a system of workmen's compensation being set up in this country under the control or supervision of the State, would consider whether any, and if so what, steps would be expedient and practicable for the purpose of co-ordinating the workmen's compensation system with that of sickness insurance.

As regards question (*b*) it would be convenient if any statement tendered by the Council could be arranged under the following heads (reasons being given in each case for the view set forth) :—

A. Fatal Cases.

(1) Basis of compensation—whether it should be assessed on previous earnings, number of dependents, etc.

(2) Nature of compensation—whether in form of lump sum or pensions; in the case of pensions, subject to what conditions; and if lump sum, whether any, and if so what, further steps should be taken to ensure profitable use of money.

(3) Limits of compensation.

(4) Other points.

B. Cases of Incapacity.

(1) Basis for computing compensation—whether it should be assessed on previous earnings, number of dependents, etc.

(2) Limits of compensation.

(3) Partial incapacity cases; any suggested changes in present rule (*see* Schedule I (3) of the Act of 1906).

(4) Basis and conditions of commutation by lump sum payments.

(5) As to period of incapacity necessary to qualify for compensation, and date from which payment is to be made.

(6) Special scales in the case of workmen under 21 at the date of the injury.

(7) Other points.

Your Council will, of course, understand that the above suggestions are not made with the intention of circumscribing in any way the scope of their report. The Committee would welcome observations on any other points which may suggest themselves as relevant to either of the two main questions as above set out, and they would be especially glad if your Council would dwell on any aspect of the law relating to workmen's compensation which particularly interests the trade or industry which your Council represents."

The matter was discussed by the following Councils :—*Building, Match Manufacturing, Rubber, Spelter, Gas, Music,*

Pottery, *Quarrying*, *Flour Milling*, *Printing*, *Tin Mining*, *Scottish Baking* and *Wire Manufacturing*, with a view to the formulation of joint proposals.

The *Gas*, *Pottery* and *Quarrying* Councils decided that each side should place its views separately before the Home Office.

Being unable to come to an agreement on the subject of State control, the *Spelter* Council expressed the opinion that :—

(*a*) Greater stringency should be exercised in issuing medical certificates in order to safeguard against malingering.

(*b*) In view of the cost of living, the increase of 5*s*. in the weekly payment of £1 was insufficient.

(*c*) The maximum amount (£300) payable for fatal accidents should be increased.

The *Flour Milling*, *Rubber* and *Match Manufacturing* Councils, though admitting certain disadvantages in the existing system, felt that the time had not yet come for transference to State control. The *Building* Council stated that insurance of the kind should be compulsory and either in the hands of the State or of the industry itself. The *Tin Mining* Council held State control to be advisable with provision for contracting out schemes to be administered by industries who desired it, while the workers' side of the Joint Industrial Council for the *Quarrying* Industry wished for compulsory insurance through the State, the money to go to a Central Fund and to be administered by Joint Committees in each industry.

To the question of co-ordinating Workmen's Compensation with Sickness Insurance, the *Flour Milling* Council replied that the schemes should be kept separate and the *Tin Mining* Council suggested that the administration of special schemes should be used for health, unemployment and workmen's compensation insurance.

On the matter of the basis of compensation in fatal cases and cases of incapacity, the Industrial Council for the *Building* Industry believed that the number of dependents should be the chief factor to be taken into consideration. Other Councils thought that compensation should be assessed on previous earnings and suggestions were made to the effect that the number of dependents, the amount of their dependency, and the prospect of increased wages in the near future of which the accident would deprive the insured person, should also be taken into account.

Most Councils agreed that there was much to be said in favour of compensation in fatal cases by pension rather than by lump sum, but it was generally recommended that payment into the County Court should be made as usual and that the Judge should be given discretion as to how it should be dispensed. The *Building* Council preferred a pension system to the payment of a lump sum except under special circumstances; the *Match Manufacturing* Council thought that there should be a form of appeal against the decision of the Judge; the Trade Union side

of the *Quarrying* Council suggested that sums paid to the County Court should be invested by the Public Trustee; and the *Tin Mining* Council felt that weekly payments could best be made by the purchase by the employer of Government pensions.

On the subject of the limit of compensation in fatal cases, various recommendations were made. The *Flour Milling* Council felt that it should be double the existing limit; the *Rubber* Council suggested that the maximum of £300 should be increased in proportion to the advances already made in weekly payments to meet the increased cost of living, with a fixed minimum and maximum payment and suitable compensation for each dependent or child; and the Council for the *Match Manufacturing* industry stated that the minimum of £150 should be raised to £250 and the maximum of £300 to £500, that weekly payments between the accident and the death of the workman should not be deducted from the sum payable and that allowance should be made for the dependents. The *Tin Mining* Council and the Trade Union side of the *Quarrying* Council proposed a minimum of £400 and a maximum of £800. The *Building* Council felt that the maximum of £300 was too low and that pensions should be continued until dependency ceased.

In cases of compensation for incapacity, the *Flour Milling* Joint Industrial Council suggested a payment of half the weekly wage, to a sum not exceeding 40*s*. per week. The *Rubber* Council thought that an increase was required in view of the rise in the cost of living; the *Match Manufacturing* Council advised the abolition of the maximum payment system and recommended, as did the Trade Union side of the *Quarrying* Council, not less than 75 per cent. of the average weekly earnings. The *Building* Council favoured 50 per cent. of the previous earnings without a maximum and the *Tin Mining* Council advocated 75 per cent. of £250 per annum.

The *Flour Milling* Joint Industrial Council did not feel that a change was necessary in the system of payment for partial incapacity, but expressed the view that compensation should be paid in cases of a workman suffering from loss or mutilation, even though his earning capacity might be as great as it had been before the accident.

As to the period of incapacity necessary to qualify for compensation, the *Flour Milling* Council thought that payment should be made from the day of the accident, if the insured person were incapacitated for more than a week; the *Rubber* and *Match Manufacturing* Councils suggested that three days should elapse and then payment be made from the day of the accident; the *Tin Mining* Council agreed with the existing system and the *Building* Council advocated payment from the first day.

The Departmental Committee, in its Report dated 7th July, 1920 (Cmd. 816) recommended that the existing system of insurance should continue, subject to certain modifications; that the scope of the Workmen's Compensation Act should be extended;

that the maxima of the various benefits should be increased; and a number of other alterations were suggested. Legislative effect has not yet been given to the recommendations.

Chapter VI.

Commercial Problems.

While, to a large extent, the attention of Joint Industrial Councils has been directed to industrial questions such as wages, hours and the working conditions of the operative and his relations with the management, their activities have not been entirely confined to such problems, and a considerable amount of time and interest has been expended on the commercial problems of industry. Several Councils at an early stage set up Commercial Committees, partly to put before the Board of Trade the views of the industry on any impending legislation which might deal with the question of the restriction of imports. The discussions on these matters have had the effect of revealing the existence of more than one common interest and common need within the confines of the particular industry.

Supply of Fuel and Raw Materials.

During the war, and for some time after its termination, several Councils concerned themselves with questions of the supply and rationing of materials, representing to the Government the needs of the industry and suggesting the means whereby these needs could be satisfied. Thus, the Resettlement Committee of the *Building* Joint Industrial Council made suggestions regarding the supplies of particular materials, the shortage of which intensified the difficulties of carrying out Housing Schemes. The *Pottery* Industrial Council was much concerned with fuel supply. Owing to the war and the consequent diminution of supplies and dislocation of transit, the industry was seriously handicapped by lack of sufficient fuel, and this inconvenience was accentuated when the Coal Controller diverted fuel raised in North Staffordshire to other parts of the country. Deputations repeatedly visited London in an endeavour to remedy the matter, and in July, 1918, a Coal Rationing Committee was appointed, being responsible for the obtaining of adequate supplies for the industry and the allocation of available fuel amongst the various factories. The Executive, General Purposes and Finance Committee of this Council also raised with the Government Departments, and with other trades concerned, the shortage of china clay and plaster for moulds, and in general succeeded in removing or abating the difficulties.

Transport Facilities.

Since the Armistice, transport difficulties have engaged the attention of a number of Joint Industrial Councils and Reconstruction Committees in a variety of directions. A few examples may be given.

The *China Clay* Joint Industrial Council made representations to the Ministry of Transport on the subject of railway facilities for the industry, and it is understood that, in consequence of their action, arrangements were made at Fowey giving greater convenience for loading, etc.

The *Furniture Warehousing and Removing* Interim Industrial Reconstruction Committee took action to obtain the rejection by the House of Commons of a clause proposed to be inserted in the Railways Act, 1921, which would have given the Railway Companies power to undertake road transport work.

The Executive, General Purposes and Finance Committee of the *Pottery* Council in their Report for the years 1918 and 1919 stated that constant representations had been made—generally effective—as to the prices of raw materials and transit and railway rates in connection with them.

The *Needles, Fishhooks, etc.*, Joint Industrial Council in a recent report, stated that the question of improved railway facilities, both for the workpeople and also for goods, had from time to time been before the Council and, as a result of representations, certain concessions had been obtained from the Midland Railway Company.

At a meeting of the *Quarrying* Joint Industrial Council held in July, 1920, consideration was given to the shortage of trucks for moving quarry products, in consequence of the low "category" of this material in the railway companies' scheme of priority for mineral traffic. As a result of the discussion, a deputation waited upon the Minister of Transport, and it was reported to the National Council by the various Sections at a meeting held on 30th August, 1920, that there was a marked improvement in traffic facilities in consequence of the Ministry's efforts, and it was decided that the Ministry should be kept acquainted with the position in the future by means of monthly reports. This Council at a meeting on 8th February, 1921, also discussed railway rates, and the employees' representatives offered to support the employers in an attempt to get the rates reduced.

The third annual report of the Joint Industrial Council for the *Silk* Industry records the solution of one problem, as follows:—

> "For some 90 years, silk goods for railway traffic purposes have been classed under the Carriers' Acts, with others, combining small bulk with high money value, to the effect that the carriers were not liable for loss to packages exceeding £10 in value unless separately declared and insured before transit. In practice this involved additional expense or considerable trouble, and undoubtedly was a hindrance. The discrimination, if ever reasonable, has long survived its justification, and after a hard struggle the Committee on Railway Rates has been persuaded to recommend its abandonment. Encouraged by this, it is hoped to secure a reclassification of silk for the purpose of railway carriage rates, so that it may not suffer in comparison with other textiles."

Among the other Councils and Reconstruction Committees which have considered transport questions, the *Bedstead Manufacturing* Council in October, 1919, adopted a resolution calling

on the Board of Trade and the Ministry of Transport to increase facilities of transport; the *Clay* Industrial Reconstruction Committee in September, 1920, adopted a resolution of protest against increased railway charges; the *Match Manufacturing* Council, in 1919, entered into correspondence with the Railway Executive Committee with a view to securing a reduction of the maximum charge for the conveyance of matches; and the *Non-Ferrous Mining* Reconstruction Committee, in April, 1920, had under consideration proposals of the Board of Trade and the Ministry of Transport to provide additional transport facilities in the mining areas by means of road transport or light railways.

FOREIGN TRADE—IMPORTS AND EXPORTS.

In March, 1919, the Government decided on the appointment of a Consultative Council to examine the existing list of prohibited imports, to consider what revision by way of addition to, or deletion from, such list was desirable and what percentage of normal imports should be admitted up to the following 1st September. The Joint Industrial Council movement was represented on this Council by two representatives of employers and two of workpeople, as follows :—

On the employers' side :

Mr. J. B. Burch, of the Made-up Leather Goods Joint Industrial Council.

Mr. W. R. Symonds, of the Gold, Silver, etc., Joint Industrial Council.

On the workpeople's side :

Mr. A. Whiting, of the Rubber Joint Industrial Council.

Mr. W. T. Kelly, of the Chemical Trade Joint Industrial Council.

On the setting up of this Consultative Council, a circular letter was issued by the Board of Trade to all Joint Industrial Councils and Interim Industrial Reconstruction Committees conveying the opinion of the President that, before coming to any decisions in this matter in respect of any particular commodity, the Council should have before them in the form of a memorandum the views of the Joint Industrial body concerned.

The cessation or restriction of imports during the war gave to British industry an impulse towards self-protection which was intensified by the agitation against the purchase of enemy goods and subsequently by the acuteness of foreign competition assisted by depreciated exchanges. In these circumstances, certain Industrial Councils have had the question of foreign trade, and especially of the importation of foreign goods, under serious consideration.

A few instances may be given by way of illustration.

The *Basket Making* Interim Industrial Reconstruction Committee based its claim to protection on the fact, ***inter alia***, that the industry was a hand craft and as such should not be allowed to die out, particularly as it provided a means of livelihood for blinded ex-soldiers. A deputation visited the Board of Trade

in May, 1921, and the Reconstruction Committee decided to prepare evidence with a view to the industry being brought under the Safeguarding of Industries Act, 1921.

The question of American competition was discussed at a meeting of the *Bedstead Manufacturing* Industrial Council on October 27th, 1919, and a resolution carried unanimously, calling on the Board of Trade to protect the home trade until the effects of the war should wear off.

The Committee on Trade Depression set up in the autumn of 1921 (*see* page 108) by the Joint Industrial Councils for the industries of *Electrical Cable Making*, *Electrical Contracting* and *Electricity Supply*, in the course of its investigations had the commercial aspect of the problem under consideration, and in this connection the first-mentioned Council issued a questionnaire to the employers in the industry with a view to examining into the competition in the world's markets.

The Joint Industrial Council for the *Gas Mantle Manufacturing* Industry early in 1921 entered upon a campaign for the inclusion of their products in protective legislation and deputations accordingly waited upon the Board of Trade and Members of Parliament. In the course of their campaign, the Council issued a circular to Gas Companies, Railway Companies, Trades Councils and Municipalities, urging them to buy home productions. The Council desired protection for gas mantles and for heat-resisting glass and registered a formal protest with the Board of Trade against the exclusion of gas mantles from the schedule of suitable articles in Part I. of the Safeguarding of Industries Act, having regard to the inclusion of compounds of thorium—the largest chemical factor in the composition of gas mantles. As a result of an inquiry under the Act, the referee decided in December, 1921, that, while it was impossible to include gas mantles as such, gas mantles should be liable for duty since for the most part they were formed of material subject to duty. Subsequently an Order was made by the Board of Trade under Part II. of the Act applying as from 9th October, 1922, that part of the Act to " Mantles for Incandescent lighting, and component parts thereof, whether finished or not," " if manufactured in Germany," the Order to continue in force until 19th August, 1924.

The *Glass* Joint Industrial Council, in the autumn of 1919, suggested that it should have representatives on Sub-Committees appointed by the Board of Trade to deal with questions affecting any branch of the industry. Deputations from the Council held interviews with the Board of Trade and with members of the House of Commons on the subject of the foreign exchanges. In November, 1920, an Anti-Dumping Sub-Committee was set up by the Council to urge upon the Government the necessity of introducing legislation to protect the industry from dumping. It was decided, before approaching the Board of Trade, to prepare a careful case explanatory of the serious position with which the industry was confronted, and a questionnaire was circulated to a large number of representative firms and to the

Trade Unions to obtain data showing the amount of unemployment attributable to unfair foreign competition. The information thus compiled was submitted to the Board of Trade, with the result that a deputation was eventually seen by the Parliamentary Under-Secretary in January, 1921. Subsequently the sectional Councils presented cases for the imposition of duty under Part II. of the Safeguarding of Industries Act, and later an Order was issued in respect of domestic and illuminating glass-ware.

The Joint Industrial Council for the *Glove* Manufacturing Industry has also taken steps in regard to Part II. of the Safeguarding of Industries Act.

In January, 1919, a deputation from the National Joint Council for the *Hosiery* trade interviewed the Controller of the Department of Imports Restrictions with regard to the difficulty experienced by the industry in competing against the prices of hosiery and underwear which were being imported from America and Japan. Under an agreement made in 1917 with certain countries, notably Japan and America, the import of cotton hosiery goods into this country was restricted to 50 per cent. of its 1916 standard. Shortly afterwards America's war requirements compelled her to place some check upon her exports, and one result of this was the institution of the " permit " system, under which no cotton hosiery goods could be exported from America without special leave of the Department of Trade. This, naturally, still further cut down the 50 per cent. of American hosiery goods being imported and had the effect of easing the position of the British manufacturers. With the cessation of hostilities the " permit " system lapsed, with the result that American goods were coming into the country on the terms of the 1917 agreement. A resolution was submitted by the Council to the Department of Imports Restrictions, summarising the main points of their claim in the following terms :—

" This meeting of the National Joint Council of the Hosiery trade views with alarm the importation of hosiery and underwear from the United States and Japan, and in view of the fact that an additional advance in wages has just been granted, that the industry is called upon to absorb its demobilised labour, and that manufacturers are heavily committed for yarn, contracts for which were placed at the very abnormal prices which have been ruling, under circumstances over which they had no control, is of opinion that unless immediate relief is given by a total prohibition of imports until the end of September, serious unemployment, reduction in wages, and distress must be occasioned in the industry, and the Council urgently ask the Controller of Import Restrictions to prohibit further importations for the period named, in order that the industry may struggle through the transition period, and equip itself to meet foreign competition on more equal terms."

Close attention was given by the Council to the legislative proposals which ultimately took shape in the Safeguarding of

Industries Act. Moreover, in connection with the Parliamentary General Election of December, 1922, the *Hosiery* Council addressed a letter to candidates in the hosiery making areas representing that the British Hosiery industry was at a disadvantage owing to tariffs on British goods imported into foreign countries and the free import of foreign goods into the United Kingdom, and asking whether they would support measures for removing the disadvantage.

The Joint Industrial Council of the *Match Manufacturing* Industry has taken a considerable interest in commercial matters. For example, statistics of the importation of foreign matches into the United Kingdom form a standing item of the agenda for meetings, and the Council has made it part of its policy to collect information as to the match industry in other countries.

At the end of 1918 the Council examined the position of the trade by means of the investigations of a Commercial Sub-Committee, whose report was submitted to the appropriate Government Departments. After reviewing the difficulties of the war period and commenting favourably on the efficiency of the distribution and transport system of the Tobacco and Matches Control Board, the report urged the restriction of the importation of foreign matches " to such a quantity as may be necessary to secure the working of the British factories to their full capacity so that an opportunity may be given :—

" (*a*) To replace and repair machinery worn out during the war, and to complete existing plans for enlarged production.

" (*b*) To transfer to the home market for civilian consumption the large proportion of their output which has lately been reserved for war purposes.

" (*c*) To secure the necessary mechanics for the maintenance and repair of plant and machinery.

" (*d*) To provide regular work for those at present engaged in the industry and to reinstate men discharged from the forces, which under these circumstances can easily be done.

In May, 1920, the Commercial Sub-Committee of this Council interviewed the Parliamentary Secretary of the Board of Trade with regard to the importation of Belgian matches. They were told that it was impossible for the Government to prohibit the importation of matches and that the only solution would be for the Chancellor of the Exchequer to include in the Finance Bill an import duty on matches sufficient to compensate for the Belgian rate of exchange. The Parliamentary Secretary agreed to make representations to the Chancellor on the matter and to press the Foreign Office to take up with the Belgian Government the question of the embargo on the export of timber which was threatening those manufacturers who had purchased Belgian timber.

An indication of the interest of the Match Manufacturing Industrial Council in the supply of raw materials for the industry

is given in the discussion which took place as to the supply of chlorate of potash. In 1919 the Council communicated with the Board of Trade on the matter, having regard to the fact that the import of the commodity was prohibited and the price charged for the product of the sole producing firm in this country was regarded as unduly high. The Potash Controller decided to reduce the price charged to manufacturers. The Council also communicated with the Customs authorities to the effect that, whereas the import of chlorate of potash was prohibited, it was in fact being imported in large quantities in the form of match heads. In September, 1921, further discussion arose on this subject in connection with the schedule of imports, subject to 33⅓ per cent., issued by the Board of Trade under the Safeguarding of Industries Act, and it was decided to make a formal protest under Section I (5) of the Act. As a result, potassium chlorate was re-classified so that the ordinary commercial qualities such as are used in the manufacture of matches would not be liable to duty.

The *Paper* Trade Joint Industrial Council, after a discussion at a meeting on 15th December, 1920, on the subject of foreign competition and the need of restoring the confidence of buyers which had been affected by the fall in prices, appointed a Committee with the duty of drawing up an authoritative statement setting out the facts of the industry for circulation amongst its customers and for submission to the Government. The report was discussed at a meeting of the Council in the following February. At this latter meeting, the following resolution was adopted :—

> " With a view to reducing the present abnormal amount of unemployment in the Paper Mills, Board Mills and Paper Coating Mills in this country, this Council hereby resolves to bring all possible pressure to bear on H.M. Stationery Office to specify that all Paper, Stationery, Boards, etc. supplied to that Department shall be of British Manufacture, and to compel all firms supplying such goods to strictly adhere to the terms of the " Fair Contracts Clause."

The question of foreign joinery has for a considerable time been a matter of some difficulty in the *Building* Industry. It arises out of a rather different issue from that ordinarily connected with imports and is mainly concerned with the refusal of the operatives to fix the imported material. In October, 1919, the Resettlement Committee of the Industrial Council for the Building Trades discussed the question with an official of the Ministry of Health. The Departmental view was that the embargo placed by carpenters and joiners on wooden doors and window frames imported from abroad necessitated the employment on this work of skilled men who might otherwise be liberated for other branches of housing work. The operatives' side of the Committee contended that their embargo was only placed on made-up work manufactured in foreign countries under conditions which the Unions did not consider fair. They pointed out, and the employers supported their contention, that the men freed by the

importation of foreign joinery would not be men who could be used on the job of assembling, being mainly skilled woodcutting machinists, so that the housing position would be but little benefited by the removal of the embargo.

Among other commercial activities of the Councils may be mentioned the enquiries of the *Pottery* Council through the Board of Trade, into the origin of European Pottery imported into the Argentine and into the United Kingdom, and also its efforts to obtain a re-classification in the Annual Trade Returns of pottery imported from European markets. This Council, by the collection and circulation of specimens of Japanese Pottery, and the publication of a brochure containing extensive and valuable information relating to the Pottery Industry in Japan, has endeavoured to educate those engaged in the industry as to the competition with which the industry is threatened from the Far East. For the same purpose, in co-operation with the Borough Council, it is establishing in one of the local Museums a collection of examples of the best types of foreign utilitarian ware with which the English Manufacturer has to compete.

Merchandise Marks.

The Merchandise Marks Committee, set up in October, 1919, by the Board of Trade to enquire into the working of the Merchandise Marks Act, gave Joint Industrial Councils an opportunity to submit evidence on the question of marking manufactured goods with the name of the country of origin.

In January, 1920, the *Pottery* Joint Industrial Council nominated two witnesses, one from each side of the Council, to present the views of the industry. Strong feeling existed as to the necessity for indelibly marking all Pottery ware with the name of the country of origin, preferably by means of marks under the glaze. Evidence was also given by the Councils and Interim Industrial Reconstruction Committees for the following industries :—*Boot and Shoe*, *Brush Making*, *Gas Mantles*, *Needle and Fish-hook*, *Printing and Allied Trades*, and *Envelopes and Manufactured Stationery*, while memoranda were submitted by the *Electrical Cable Making*, *Glass* and *Match Manufacturing* Joint Industrial Councils and by the *Basket Making*, *Boot and Floor Polish* and *Glove Making* Interim Industrial Reconstruction Committees.

The *Needles and Fish-hooks* Joint Industrial Council complained that the name " Redditch " appeared on needles exported from Germany, and the Committee in their report of June, 1920, suggested that steps might be taken for the better protection of the names of towns which are specially connected with particular industries.

The Committee recommended that the Board of Trade should, in certain circumstances, have power to make an order that any particular class of goods should bear an indication of origin and to determine the manner in which such an indication is to be applied.

Financial Assistance.

A different form of State assistance to industry is indicated in the activities of the Joint Industrial Council for the *Tin Mining* Industry. Even before the war, the outlook of the industry was unsatisfactory and after the war it was faced with serious difficulties. At the first meeting of the Joint Industrial Council held on 17th January, 1919, a deputation was appointed to interview the Government. At the second meeting held in May it was resolved, *inter alia*, that an immediate and searching enquiry ought to be made both into the technical and economic development and prospects of the Tin Mining industry, that adequate representation of the Tin Mining Joint Industrial Council in such enquiry should be insisted upon, and pending the result of the enquiry, an interim grant of financial aid by the Government was necessary. Shortly afterwards the Board of Trade appointed a Committee " to investigate and report upon the present condition and economic possibilities of non-ferrous mining in the United Kingdom, and to make recommendations as to such Government action as may be expedient in regard thereto "; and two representatives of the Joint Industrial Council were nominated to sit on this Committee. In addition, representatives of the industry gave evidence.

The Committee's recommendations, published in March, 1920, included the following paragraph on the subject of State aid :—

> " That in regard to State aid to mining the Government should take powers, analogous to those in force in the Dominions, to extend financial assistance, on the advice of the Mines Department, to mining companies to enable them to tide over their difficulties or to undertake approved exploration and development; and that the funds at the disposal of the Development Commissioners should be made available for this purpose."

At further meetings of the Joint Industrial Council the question of State aid for the Industry received considerable attention and representations were made to the Board of Trade, and to the Advisory Committee established under the Trade Facilities Act. At a meeting of the Council in August, 1922, it was reported that the Advisory Committee had issued guarantees for loans in the cases of two mines.

At the Council's meeting in September, 1921, a discussion took place on the watering problems generally, and in particular the position at the East Pool and South Crofty Mines, and a resolution was passed requesting an enquiry into the whole matter by the Ministry of Mines. A Ministry of Mines Commissioner duly held an enquiry into the matter, and the Commissioner's report was discussed at subsequent meetings of the Council.

Other Commercial and Miscellaneous Topics.

Among the various other matters of a commercial or miscellaneous character discussed by Joint Industrial Councils and Interim Reconstruction Committees may be mentioned the question of compulsory registration of farriers discussed by the *Blacksmiths and Farriers* Reconstruction Committee; the consideration given by the *Brush* Reconstruction Committee to the decimal system; the opposition of the *Entertainments* Council to the Performing Animals Bill, 1921; the action of the *Hosiery* Council in regard to the " break clause " in textile contracts; the activities of the *Needles and Fish-hooks* Council on the subject of the legislation which resulted in the Importation of Plumage (Prohibition) Act, 1921; the communications which passed between the War Office and the *Pottery* Council in regard to the form of tender to be used by the War Office in placing contracts for china and earthenware; the communications between the *Printing* Council and the Postmaster-General on the subject of postal rates and the representations of this Council to the Board of Trade with regard to British and American copyrights; and the evidence given by the *Tramways* Council before the Departmental Committee on Lights on Vehicles and the Council's recommendations to the Ministry of Transport on the provision of more effective brakes and of folding steps on trams. These instances are but illustrative of the numerous questions that have from time to time engaged the attention of Councils and Committees.

Chapter VII.

Breakdown of Certain Joint Industrial Councils.

It may be appropriate at this stage to set out in some detail the causes which have resulted in the breakdown, during the period covered by this Report, of 17 out of the 73 National Joint Industrial Councils established.

The 17 Councils which during this period ceased to function as national bodies were :—Bread Baking and Flour Confectionery (England and Wales); Elastic Web, Braid and Smallwares Fabric; Entertainments; Furniture Manufacture; Gold, Silver and Horological Trades; Hosiery (Scotland); Local Authorities' Administrative, Technical and Clerical Services (England and Wales); Local Authorities' Administrative, Technical and Clerical Services (Scotland); Local Authorities' Non-Trading Services (Manual Workers) (Scotland); Made-up Leather Goods; Music Trades; Packing Case Making; Road Transport; Rubber; Sawmilling; Vehicle Building; and Woollen and Worsted (Scotland).

In the first place, it is obvious that any industrial movement such as is embodied in the Whitley Scheme has to undergo a period of probation, of testing and experience, and of adaptation in the light of experience, to the needs of each particular industry.

While the organisation of the nation in the common cause and the awakening of new ideals under the stress of war led to the conception of the Whitley movement, the abnormal circumstances of the war and the difficulties and unrest during the period of transition to peace conditions, placed a very severe strain on the Joint Industrial Councils. Among these difficulties were the scarcity of labour during the war, the rising prices, the

abolition of the statutory control of wages and industry, the post war trade boom, the absorption in industry of the millions of men demobilised from the fighting forces, the constant increases in wages until at the peak they averaged from 170 to 180 per cent. over pre-war rates, and then in the latter part of 1920, the sudden collapse of trade, the vast numbers of unemployed, and the considerable reductions in wages. It could not be expected that, in all cases, the newly adopted machinery would stand the strain of such unusual pressure.

In the main, the causes of breakdown resolve themselves into ineffective organisation, the difficulties of wage adjustments, and the divergence of sectional and district interests on the Councils. All these three causes are inter-related.

The welcome with which the Whitley Scheme was received showed that it accorded with the views of industry generally, but in certain instances it may be that Councils were established without a full appreciation of the necessity, as a prior condition, for an efficient and well established organisation. In a number of industries and services in which Councils were established, the organisation of many of the employers and workpeople in their respective associations had been comparatively recent, and newly organised people are apt to become dissatisfied unless they get quick material results. They have not yet learned to appreciate the difficulties, delays and compromises of negotiation or to entrust their representatives with adequate authority. There is also the difficulty that officials have not full opportunity of keeping in close touch with their constituents. Newly constituted organisations are, moreover, sometimes at a disadvantage in not having found quite the right type of representative for negotiating bodies, and in a number of cases the success of negotiations, and even the existence of the Council, have been jeopardised through the personal characteristics or antipathies of representatives. The newness of organisation on a national scale was a feature common to many Councils which have ceased to function.

The large increase in the membership of Employers' Associations and Trade Unions which took place during the war and in the succeeding two years was mainly absorbed within the framework of the existing organisations, but in certain cases (*e.g.*, *baking*) this framework had to be reconstructed for the purpose of adapting it to the Whitley Scheme. The adoption of the Whitley Scheme, with its triple organisation of a National Council, District Councils and Works Committees, also involved problems as to the relationship between the national authority and the district or local organisations. The weakness that developed in certain cases was attributable to the failure of the national authority to adjust the desire for local autonomy to the necessity of some measure of central control over the policy of the organisation. In at least one case, where, on the employers' side, there was no organisation which covered the whole country and,

on the operatives' side, the principal Trade Union was a loose combination of district unions which retained the right of individual action, the Council was asked early in its career to undertake national negotiations, without either side having sufficient authority to pledge its constituents to the observance of any collective agreement.

A feature of the organisation of Employers' Associations and Trade Unions is the large number of such bodies that exist, notwithstanding the amalgamations that have taken place in recent years. In only a few instances did the employers' or trade union side of the Council consist of a single organisation and this multiplicity of associations involved rivalries and jealousies which hindered the smooth working of certain Councils.

Connected with the problem of organisation, is the position of non-federated firms who refuse to pay the rates of wages agreed to by Councils. Although decisions of Councils are not legally binding, there is a moral obligation on the members to observe them and the competition of non-federated firms paying lower rates of wages has in certain instances been sufficiently substantial to disrupt the Council. The steps taken by the Councils to secure legal powers to enforce agreements on non-federated firms are described in the following chapter.

As has been pointed out elsewhere in this Report, wages questions have tended to obscure all other issues which have occupied the attention of the Councils. Such questions have presented special difficulties as regards the determination both of the appropriate basic rates and of the frequent revisions consequent upon changes in the cost of living and the state of trade. The breaking point of most of the Councils which have ceased to function has been wage negotiations and it is significant that in certain of these cases, when the collapse of the Council on the wages question appeared imminent, proposals have been advanced to relegate wage questions to local negotiations or to other joint machinery so that the activities of the national Council might be continued and devoted to other matters.

Before the war, rates of wages in almost all industries and services were fixed on a district basis, with local variations. The great impulse to national movements resulting from the war led to the fixing in certain instances of a uniform national rate (*e.g.*, seamen, women in munition trades). A more elastic scheme was that under which areas were graded according to economic conditions affecting the industry in question and rates fixed for the grades. In most industries and services there was a tendency to fix a uniform national war bonus for the industry. The movement to greater uniformity and to the determination of wages matters on a national scale was attributable not only to the psychological factors of the war, but also to changed economic conditions which resulted in a closer approximation in the cost of living in various districts. The insistence of Trade Unions on the determination of rates on a national scale and the refusal of the Employers' Associations to concur in this procedure, was

responsible for the collapse of a number of Councils. Owing to the newness or the incompleteness of the organisation, it was in many cases premature to endeavour to fix national rates of wages and working conditions, and in addition there were other factors, indicated below, which made national settlements difficult to negotiate or, if made, difficult of enforcement.

The breakdown of certain Councils was partly brought about by the lack of homogeneity and common interest among the constituent bodies. For example, certain Councils covered a large variety of occupations. Thus, the Made-up Leather Goods Council covered harness and saddlery, fancy goods, portmanteaux, etc.; the Music Trades Council covered the manufacture of pianos and piano supplies, the tuning and repair of pianos, the manufacture of brass musical instruments and gramophones, and organ building; the Entertainments Council included actors, variety artistes, musicians and other theatrical employees, and members of the Electrical Trades Union; and the Rubber Council covered a wide variety of occupations, such as general rubber goods and manufactured rubber, waterproof garments (almost entirely centred in the Manchester district), rubber tyres, etc. The differences between the various sections became clear when the Councils came to discuss wages and working conditions.

Another aspect of this lack of homogeneity manifested itself, especially in industries or services spread over the whole country, as between the small employer and the large employer. Thus, in the Baking Industry there is a relatively small number of large firms carrying on machine baking under the factory system and a large number of small firms scattered all over the country, carrying on baking on a small scale. Similarly with Road Transport, the industry is spread all over the country and covers a very large number of individual undertakings among whom there are considerable differences in size, varying from those employing considerable bodies of men to owner drivers, and from firms engaged in road transport proper to those employing carters and motor drivers as ancillary to their ordinary business. In the case of the Municipal Services difficulties have arisen from the diversity and autonomous character of Local Authorities. Thus, the Council for Local Authorities' Administrative, Technical and Clerical Services (England and Wales) covered municipal corporations, county councils, urban district councils, and rural district councils, as well as the London County Council, while the corresponding body for Scotland covered burghs, county councils, district committees, parish councils and education authorities, as well as the cities of Edinburgh, Glasgow, Aberdeen and Dundee.

A like divergence of interests is that which, in at least one case, developed between country and town employers in the industry. As is usual in industry, substantial differences of wages existed between the town and country establishments but these differences were adjusted. Subsequent discussions revealed a second fundamental difficulty in connection with the employment of women. It appeared that in the town the men, nearly all

members of a craft union, did the whole of a certain process, whereas in the country a certain part of the operation was performed by women. The negotiations arising out of proposals of the town employers to extend the employment of women revealed the clash of interests between the two groups of employers and, on the workers' side, as between the craft and general workers' unions. The pursuit of these sectional interests eventually led to a breakdown of the Council.

Reference may also be made to the varying methods of adjusting wages which existed as between different districts. Thus, in the Rubber Industry, the employers declined to agree to national wages negotiations since " the wages conditions in the Rubber Trade are totally dissimilar and are dependent upon the wages paid in other predominant industries in the various localities." In the Baking Industry, the Scottish representatives early in the life of the Council evinced a restlessness by reason of the conditions of industry being so widely divergent as between Scotland and England and Wales, as well as the inconvenience to Scottish representatives of negotiations in London, and the almost unanimous desire for complete autonomy for the Scottish Council led to recognition of the Scottish Council as a separate Joint Industrial Council. In the Furniture Industry, the fact that it was customary for the workmen in certain areas to follow the building or shipbuilding trade was not without influence on the Council's short history.

Finally, reference may be made to the rules of procedure of the Councils. In one case, the constitution of the Council included an unusual clause as to the method of voting, which provided that " a solid vote " on each side should be considered equal, but that if one side voted " solid " and obtained one or more votes from the other side, they should be considered as having obtained a majority of votes on any question submitted. At early meetings of the Council, important resolutions were carried by one cross vote and this so seriously impeded the effectiveness of the Council as to contribute substantially to its breakdown.

The above statement indicates some of the causes which have contributed to the breakdown of the 17 Councils. In each case, there were no doubt a number of factors which created friction although the same factors have, with goodwill on the two sides, been amicably adjusted in other Councils which are flourishing. The Whitley scheme provided the machinery, but for the successful working of the machine the goodwill of both employers and workers is necessary.

In conclusion, it may be observed that, even where Councils have ceased to function, the effect of their work is still felt in a number of instances as in the determination of the general basis of wages, and in the still active District Councils or Works Committees established under the aegis of the National Council, and moreover, the experience of such Councils has brought out some of the weaknesses and difficulties of the scheme which the passage of time and altered circumstances may overcome.

PART IV.

GENERAL REVIEW.

CHAPTER I.

Current Problems—An Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees—Question of Compulsory Powers—Representation on Councils of Supervisory Grades, etc.

AN ASSOCIATION OF JOINT INDUSTRIAL COUNCILS AND INTERIM INDUSTRIAL RECONSTRUCTION COMMITTEES.

In July, 1919, the National Council for the Pottery Industry addressed a circular letter to all Joint Industrial Councils and Interim Industrial Reconstruction Committees enquiring whether these bodies would be willing to send representatives to a conference with the object of taking such steps, or adopting such measures, as would tend to give greater authority or executive power to the Councils. As a result of this circular, 28 Councils and 14 Committees were represented at a conference convened by the National Council for the Pottery Industry and held on 15th January, 1920.

After discussion it was resolved to form an Association of National Joint Industrial Councils and Interim Reconstruction Committees for the general purpose of strengthening and developing the scheme of industrial organisations recommended in the "Whitley" Report; and that a Provisional Committee consisting of 14 members should be appointed (1) to frame a draft Constitution to be submitted to the National Councils and Interim Reconstruction Committees for their consideration, and (2) to report to the Conference at a further meeting.

The Provisional Committee appointed by the Conference consisted of representatives of the following Councils and Committees:—

Representatives of Employers:—

Rubber; Cocoa, Chocolate, &c.; Pottery; Silk; Matches; Heating and Domestic Engineering; Wire Manufacturing.

Representatives of Employees:—

Furniture Removing; Silk; Rubber; Paint, Colour and Varnish; Clay; Matches; Boot and Floor Polish.

This Committee met on 22nd January, 1920, and framed a draft constitution for an Association of Joint Industrial Councils, which was circulated by the National Council of the Pottery Industry to all the Councils and Committees on the 28th

January, 1920. Replies were received from six Councils or Committees, only one of which approved the recommendations of the Conference and the draft constitution proposed by the Provisional Committee. A number of Councils were understood to be opposed to the whole scheme and, of the remainder, although some were in general agreement with the objects of the Association, they were not prepared to accept the proposed constitution.

The matter was further discussed by the Provisional Committee at a meeting on the 27th July, 1920, when the replies received showed that 12 Councils and Committees were in favour of forming the proposed Association and 13 were opposed to the scheme. The remainder had not yet come to a decision. After some discussion, the Provisional Committee decided to formulate a simpler scheme which, while not allowing for initiative or executive powers, would provide a means of co-ordinating the work of the various Councils and Committees and of joint representation on questions of common interest, when desired, to Government Departments.

The scheme finally recommended by the Provisional Committee provided:

(*a*) that an Association of National Joint Industrial Councils and Interim Industrial Reconstruction Committees be formed,
  (1) for the purpose of taking joint action when it is desired to make representations to the Government,
  (2) for the exchange of ideas and the discussion of matters of common interest;

(*b*) that each Joint Industrial Council and Interim Industrial Reconstruction Committee be allotted two representatives on the Association;

(*c*) that the Minister of Labour be asked to find the necessary accommodation and to provide the Secretariat for carrying out the duties required;

(*d*) that meetings of the Association be held quarterly;

(*e*) that the Officers consist of a Chairman and Vice-Chairman to be elected alternately from each side of the Association and that the Minister of Labour be requested to attend quarterly meetings;

(*f*) that a Convening Committee be elected to consist of Chairman, Vice-Chairman and two members from each side of the Association with the Secretary.

This scheme was considered at a second conference held on 8th December, 1920. Representatives attended from 46 Councils and Committees and inaugural addresses were delivered by the Minister of Labour (Rt. Hon. T. J. Macnamara, M.P.) and by Rt. Hon. J. H. Whitley, M.P.

The following resolution was carried after discussion with one dissentient. . . . "that this meeting is of opinion that the

recommendations of the Provisional Committee now submitted form a suitable basis for an Association of National Joint Industrial Councils and Interim Industrial Reconstruction Committees to be submitted to all Joint Industrial Councils and Interim Industrial Reconstruction Committees for consideration by them."

The next conference was held on 18th March, 1921, and was attended by representatives from 26 Councils and Committees. The Provisional Committee reported that, as the outcome of the resolution passed at the last conference recommending the formation of an Association on the basis of the recommendations then submitted, 35 decisions had been received from Councils and Committees, of which 22 were in favour of the formation of an Association (one with a proviso that there should be an independent secretary), and 13 against the scheme. After discussion, it was resolved that, in view of the number of favourable decisions received, an Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees be formed on the lines indicated in the recommendations.

The recommendations of the Provisional Committee as provisionally set out were then formally adopted and the officers of the Association and of the Convening Committee were appointed.

In addition to the consideration of the questions of compulsory powers and the representation of supervisory workers on the Councils and Committees to which reference is made later, the Association has given much attention to the question of Unemployment Insurance. The relation of the Fair Wages Resolution of the House of Commons to wage agreements of the Councils and Committees has also been dealt with, and among other matters that have been the subject of addresses and discussions are the development of Works Committees, the systematisation of wages, the Merchandise Marks Act, the work of the Industrial Fatigue Research Board, and Safety First.

The Question of Compulsory Powers.

In accordance with the general principle laid down by the Whitley Committee, Joint Industrial Councils are formed only in industries which are well organised throughout. There are usually, however, in every industry some unorganised employers and workpeople and while the rates of wages fixed by trade agreements are, not infrequently, paid in such cases, there have been instances of difficulties arising from the non-observance of rates agreed upon by Joint Industrial Councils.

The "Whitley" Committee had this problem fully in mind and their first Report contained the following paragraph :—

> "It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the Councils, but the initiative in this direction should come from the Councils themselves."

The position at the date of the Whitley Committee's first Report was briefly as follows :

No authority existed for the statutory extension of agreements entered into between employers and employed, and the views among both employers' associations and trade unions on the matter appear to have been divided. In February, 1917, however, an agreement was entered into between the Engineering Employers' Federation and Unions connected with the Engineering and Foundry Trades for periodical reference to the Committee on Production of claims for general alteration of wages, and in connection with this agreement the following further memorandum was agreed between the parties :—

> "The Engineering Employers' Federation and the Unions whose signatures are appended hereto recommend to His Majesty's Government that arrangements should be made whereby all employers in the trade or trades affected should be subject to the awards which may be made by the Committee on Production in virtue of the agreement hereto attached."

Similar agreements were subsequently entered into in a number of other trades and subsequently statutory provision was made in the Munitions of War Act of August, 1917, for the extension of representative agreements and awards to be binding, with or without modification, on all or any other employers or persons engaged in the industry concerned, either generally or in a particular district.

Use was made of this Section in a number of instances and similar power was taken by the Minister of Labour in the Wages (Temporary Regulation) Act, which in November, 1918, superseded the Munitions of War Acts. Section 2 (3) of the Wages Act provided that :—

> "Where an award determining or varying a rate has been so made by the Interim Court of Arbitration, or an agreement or settlement for such purpose has been arrived at, the Minister of Labour may, on the advice of the Interim Court of Arbitration, by order direct that the determination or variation affected by the award, agreement or settlement shall be binding on all workmen to whom the prescribed rate in question is applicable and the employers of those workmen."

At an early stage in their deliberations, a number of Joint Industrial Councils had before them the problem of the non-associated employer. Thus, in October, 1918, the Provisional Committee of the Joint Industrial Council for the *Made-up Leather Goods Industry* made enquiries as to whether the Minister of Labour proposed to apply to Parliament for powers to give the sanction of law to agreements arrived at by Joint Industrial Councils and were informed that, if a substantial number of Joint Industrial Councils desired that such legislation should be introduced, their representations would receive every consideration.

During 1919, there were further developments in this matter. In February of that year, a National Industrial Conference was

called by the Minister of Labour, on behalf of the Government, of representatives of the principal employers' associations and trade unions, Joint Industrial Councils, Trade Boards and Interim Industrial Reconstruction Committees. The Provisional Joint Committee of this Conference recommended *inter alia* that, where an agreement is arrived at between representative organisations of employers and Trade Unions in any trade laying down a minimum rate of wages, the Minister of Labour should have power, after investigation, to apply such minimum rate, with such modifications as he might think fit, to all employers engaged in the trade falling within the scope of the agreement. The Provisional Joint Committee also recommended the continuance of the Wages (Temporary Regulation) Act, 1918, beyond the six months for which it was originally passed, and the Act was continued up to 21st November, 1919, when its provisions on the subject of the extension of agreements lapsed with the passing of the Industrial Courts Act.

A number of Councils were concerned with the statutory position under the Wages (Temporary Regulation) Acts, and in certain instances (*e.g., Made-up Leather and Sawmilling*) considerable dissatisfaction arose owing to the Minister's inability to extend agreements of the Council to non-associated firms for the technical reason that no prior " prescribed " rates, within the meaning of the Act, existed.

Various Councils (*e.g., Electrical Contracting, Metallic Bedsteads, China Clay, Hosiery (England), Hosiery (Scotland), Made-up Leather, Pottery, Road Transport, Rubber, Sawmilling*), had already expressed themselves in favour of the statutory extension of Joint Industrial Council agreements to the whole of the industry, when the Conference of Joint Industrial Councils and Reconstruction Committees held on 15th January, 1920, passed a resolution on the subject.

As a result of this resolution, the matter again came definitely before the Councils and Reconstruction Committees and more of these joint bodies (*e.g., Asbestos, Gas Mantles, Matches, Wallpaper, Wire Manufacturing*) indicated their agreement with the principle embodied in this resolution. In the case of *Paper Making*, the Council (then an Interim Industrial Reconstruction Committee) expressed themselves as opposed to the principle, while in other cases it was decided that no action should be taken.

Attention was also called to the problem by a question addressed to the Minister of Labour in the House of Commons on 8th March, 1920, when the Minister took the opportunity to state the position in some detail. The question and answer were as follows :—

Mr. JESSON asked the Minister of Labour if dissatisfaction exists in those industries that have established Industrial Councils when decisions and agreements arrived at are ignored or set at defiance by those employers who are not parties to those agreements or members of employers' associations; and whether he

will consider the advisability of making the decisions and agreements upon wages, conditions, and hours of employment arrived at by all Industrial Councils binding upon the whole of the respective industries when they represent two-thirds of the workers and their employers concerned, so as to prevent employers underselling those who are helping to establish industrial peace?

Sir R. HORNE : I propose to answer this question in some detail because the principle involved is one to which public attention ought to be given. I should say, in the first place, that while it is the fact that several Joint Industrial Councils have asked for powers to make their agreements compulsory on the whole trade, it is far from being the case that this demand is universal. This division of opinion was to be expected in view of the controversial history of this and the allied question, from which it is difficult to dissociate it, of making Awards of Courts of Arbitration compulsory. In 1913, the Industrial Council, a body consisting of representatives of Employers' Associations and Trade Unions, under the chairmanship of Sir George (now Lord) Askwith, reported that, subject to certain conditions to which I need not allude, an Agreement entered into by Associations of employers and workmen, representing a substantial body of those in the trade or district, should be made applicable to the whole of the trade or district concerned. The matter was then considered by the Trades Union Congress, at which the proposal was rejected by a large majority. The Trades Union Congress had previously rejected the idea in 1912, and the Labour Party adopted the same attitude in 1913. The hon. Member's proposal was the subject of one of the recommendations of the Provisional Joint Committee of the National Industrial Conference. I endeavoured to secure the opinion of the Trades Union Congress in September of last year, but I understand that the Parliamentary Committee was unable to bring the matter before the main body. I made a further attempt to ascertain the reception which the proposal would meet from workpeople's organisations at the time when I was introducing the Industrial Courts Act. At that time, however, it was rejected by the trade union organisations largely on the ground that it was proposed, and I think justly proposed, to make compulsion two-sided, penalties for breach being provided equally against employers and employed. Under the Trade Union Act of 1871 and the Trade Disputes Act, 1906, not only is it impossible to enfore legally an agreement made between employers' associations and workers' associations, but it is also impossible to bring an action against either such association for inducing or assisting its members to break the contract to which it has itself been a party. Contracts between employers and workmen's associations rest, therefore, only upon the good faith of the parties to them, and, unless the law is altered in this respect, it is difficult to see how it is possible to make them legally binding upon persons who are not themselves parties to the agreement. The difficulty of making compulsion apply equally is perhaps not

greater than the practical difficulties which would be involved in making agreements of Joint Industrial Councils compulsory on the whole trade. Not only would complicated questions of demarcation and trade definition inevitably arise, but the question of the extent to which any given group of employers or employed represented a large majority of the trade would require close examination. There is the further difficulty that certain wage settlements affect an industry, while others affect a craft extending through a number of industries. For these reasons it is clear that the matter is not one which can be settled without a great deal of further discussion, and examination. In saying this, however, I am not averse from giving further consideration to this matter, but unless a substantial agreement of opinion exists among employers and workpeople I should not be prepared to introduce the necessary legislation.

At the Conference of Joint Industrial Councils and Interim Reconstruction Committees held on March 18th, 1921, it was reported that, of the 70 Councils and Committees established, 16 had signified that they were favourable to, and two that they were against, the recommendation passed at the Conference of January 15th, 1920. After a brisk discussion, the following resolution was passed by a vote of 16 to 5 :—

> "That this Association of Joint Industrial Councils and Interim Reconstruction Committees is strongly of opinion and recommends that legislation should at once be commenced by the Government to give the necessary powers to the Ministry of Labour to make binding upon the whole of any industry, any wages awards or agreements or arrangements as to working hours and conditions made or confirmed by Joint Industrial Councils or Interim Industrial Reconstruction Committees, if so requested by the Joint Industrial Council or Reconstruction Committee concerned."

This resolution having been forwarded to the Minister of Labour, the Minister directed attention to the answer on the subject which had been given in the House of Commons on 8th March, 1920, as quoted above, and intimated that the statement still represented the views of the Department.

In response to a further communication from the Secretary of the Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees, the Minister of Labour replied that :—

> "The matter has received further consideration as a result of the resolution adopted by your Association. The Minister is aware that the resolution contemplated that such statutory powers should be given only in the case of industries which made application for the powers. This, however, in no way modifies his opinion that a condition precedent to the introduction of the necessary legislation is that there should be a sufficiently substantial agreement of opinion among employers and employed generally. There is no evidence to show that the National Confederation of Employers' Organisations and the Trades Union Congress are agreed, on behalf of their respective constituents, that there should be statutory enforcement of agreements. Moreover, so far as the Department is aware, of the Joint Industrial Councils and Interim Industrial Reconstruction Committees in existence, only 18 have pronounced an opinion upon the proposal, of which 16 were in favour and 2 were opposed."

At a subsequent meeting of the Association of Industrial Councils and Reconstruction Committees on 20th September, 1921, dissatisfaction was expressed with the reply of the Minister. It was reported that 25 Councils were in favour of compulsory powers and two opposed, and that the remaining Councils had either taken no action or were considering the matter further. It was decided to send to the Minister a deputation representative of those Councils in favour of compulsory powers, with a view to pressing for further consideration ; and at the same time to send a deputation to those Councils which had not declared their policy with a view to recruiting their support.

In accordance with this decision, a deputation from the Association of Joint Industrial Councils waited on Sir David Shackleton, K.C.B., the Chief Labour Adviser to the Ministry of Labour, in March, 1922, and subsequently appointed a Committee to take such action as it might deem desirable and expedient in connection with the obtaining of compulsory powers. This Committee is continuing to take active steps with a view to promoting legislation on the subject. It should also be mentioned that, in connection with the Parliamentary General Election of December, 1922, the Boot and Shoe Industrial Council addressed an enquiry to the majority of Parliamentary Candidates as to their attitude on the subject of statutory effect being given to Agreements reached by Joint Industrial Councils. A number of other Councils adopted a similar course.

As illustrating the difficult nature of the problem, it may be added that the subject was investigated by a Committee of the General Council of the Trades Union Congress. The Committee reported to the Congress of September, 1922, that it realised the importance of the problem to Trade Union organisation and considered that special steps should be taken to ascertain the opinions of the Unions affiliated to the Congress regarding the issues raised.

Representation on Councils of Supervisory Grades, Etc.

Another question which has given rise to some amount of discussion is the representation of technical and scientific workers, foremen and other supervisors on Joint Industrial Councils, this being a matter upon which the Whitley Committee made no comment. As has already been indicated, representation on Industrial Councils is on the basis of Employers' Associations on the one hand and Trade Unions on the other. The seats on the Council are allocated more or less in proportion to the numerical

strength of the various Associations or Trade Unions concerned in the industry. Occasionally, however, claims have been put forward by Craft Unions for greater representation than their numbers would warrant, as compared with General Labourers' Unions, on the ground that the craftsman is tied to the industry while the ordinary labourer can more readily shift from one industry to another. A further difficulty that has occasionally to be faced is the representation to be granted to small sections; this has sometimes been overcome by the section in question being represented indirectly through one of the large Associations or Trade Unions as the case may be. The Ministry of Labour has no power to allocate seats upon a Council. The setting up of a Council is a voluntary act of the industry itself and the allocation of seats upon it is a matter for negotiation between the various bodies concerned.

The attitude of the Trade Union representatives has generally not been favourable to representation of the technical and scientific workers, foremen and other supervisors upon Joint Industrial Councils. Some regard the supervisory grades as " employers' men " and consider that if they have representation upon the Joint Industrial Council, this would in fact be additional representation given to the employers. A further objection made by Trade Unions is that these classes of workers are seldom organised on the ordinary Trade Union lines. As regards the attitude taken up by the employers, it appears that their opposition to representation of supervisory workers arises mainly from the special position of these workers in regard to discipline and control.

On the other hand it is urged that the interests of these classes of workers are obviously of considerable importance to the future development of the industry and, to the extent that the Industrial Councils deal with the far reaching subjects indicated in the First Report of the Whitley Committee and already quoted in this Report, the value of the knowledge and experience of the technical and scientific workers and supervisory grades cannot be rated too highly and their participation in the joint discussions upon the Councils together with employers and workers representatives will go far to promote that co-operation in industry which is essential to success. In this connection, however, it may be observed that in a large number of cases provision is made in Joint Industrial Council procedure for the co-option of specially qualified persons to deal with particular matters.

In connection with the *Pottery* Joint Industrial Council, the question of managers and foremen joining the Trade Unions was discussed during 1918 and the Pottery Managers' and Officials' Association was formed in June of that year; while some of these grades left their union and joined the new body, others refused; others joined and retained their membership of the National Society of Pottery Workers. A series of discussions ended by the employers offering in June, 1919, two seats on their side to the new Association, the representatives of each Association to reserve freedom in voting. This offer was eventually accepted

by the Trade Union side on condition that only " bona fide managers or officials " should be so represented. The definition of the term Manager, as submitted by the Association and agreed to by the National Council, was, generally, one who exercises the functions of supervision and control of other persons on the employers' behalf.

As regards the *Electricity Supply* Industry, it has already been stated previously in this Report that the problem of the higher grades was solved by the establishment of a separate joint body called the National Joint Board for the Electricity Supply Industry, which is quite distinct from the Joint Industrial Council for the industry and which confines itself to the consideration of matters affecting the higher staff.

The question was also raised by the National Confederation of Foremen's and Managers' and Supervisory Associations in deputations which waited upon the Ministry of Labour and upon the Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees. The deputations desired to establish the principle of the representation of supervisory interests on Joint Industrial Councils. They realised that the supervisory workers were in a special position and they proposed that they should be represented on the Councils in a consultative and advisory capacity only, occupying a third position, as it were, between the employers' and the employees' sides. The deputation urged that the supervisory workers had a claim to representation other than in the capacity of agents to the management. The Ministry of Labour and the Association of Joint Industrial Councils and Interim Industrial Reconstruction Committees both pointed out to the deputation that the matter was one for the discretion of the Councils themselves.

Chapter II.

The Whitley Principle Abroad.

The circumstances which led to the conception of the Whitley Scheme and made its adoption practicable in this country, namely, the improved status achieved by labour during the war and the higher aspirations stimulated by the abnormal conditions of the war period, were largely common to labour throughout the world and particularly in the belligerent countries. As has already been indicated, a large amount of publicity was given to the Whitley Reports, and the interest aroused in the Scheme is evidenced in the numerous enquiries which have from time to time been addressed to the Ministry of Labour from countries abroad for more detailed particulars of the Scheme and for information as to the progress of its application to British industry. In addition, a considerable number of investigators from abroad have, since the termination of the war, visited this country for the purpose of enquiring into the industrial position here, all of whom have shown a keen interest in the Whitley movement, and, in a number of cases, have expressed a desire to attend an Industrial Council meeting.

In the present chapter an attempt is made to give some account of the development overseas of machinery on the lines of the Whitley Scheme, so far as is possible from the information in the possession of the Department. In this connection regard must be had to the fact that the industrial traditions of the Dominions and of foreign countries and their conditions of organisation are unlike those of this country and have resulted in the main in differing methods being adopted for giving to the workpeople a larger share in the determination of their working conditions. The attention given to Works Councils abroad is noteworthy.

In the preparation of the chapter considerable use has been made, so far as the United States of America and Canada are concerned, of a Report issued by the Canadian Department of Labour in February, 1921, on " The principles and practices governing Industrial Councils and Works Committees in Canada, Great Britain and the United States," and, so far as Germany is concerned, of a Report of the International Labour Office dated January, 1921, on " Works Councils in Germany."

United States of America.

The methods adopted in the United States for securing joint discussion are, for the most part, in striking contrast to those prevailing in Great Britain. The Whitley Scheme is based upon organisation of employers and workpeople and the recognition by each of the other's associations as the appropriate bodies to conduct negotiations. In the absence of these conditions, the Scheme as outlined by the Whitley Committee is impracticable. In the United States, these conditions constitute the exception, and the system more generally in favour is that of " employee representation," which excludes any dealing with trade unions and forms a substitute for collective bargaining as it is known in Great Britain. In the main, the developments in the United States have been in the direction of extension or adaptation of Works Committees.

The Executive Council of the American Federation of Labour, in its report of June, 1918, affirmed its belief that in all large works there should be a regular arrangement by which a committee of workers would meet the management to confer on matters of promotion; this committee would carry beyond the foreman and the superintendent to the general manager or to the president any important grievance which the workers might have with reference to wages, hours and conditions.

A Reconstruction Congress of American Industries called by the United States Chamber of Commerce at Atlantic City in December, 1918, and representing nearly four hundred industries, resolved that " the most potent measure in bringing about industrial harmony and prosperity is adequate representation of the parties in interest." The Committee on Industrial Relations of this body declared: " Employees should be accorded a voice in determining the conditions under which their work is performed by the untrammelled election of plant and shop committees to deal with these matters in conjunction with management."

In February and March, 1919, a commission of employers, nominated by the Secretary of Labour, visited Great Britain to study industrial conditions and methods of dealing with labour reconstruction problems, and this commission examined the Whitley system with special interest and care.

The question was also considered at an Industrial Conference, convened by President Wilson, which stated in its report in January, 1920, that " the guiding thought of the conference has been that the right relationship between employer and employee can be best promoted by the deliberate organisation of that relationship. That organisation should provide for the joint action of managers and employees in dealing with their common interests. It should emphasize the responsibility of managers to know men at least as intimately as they know materials, and the right and duty of employees to have a knowledge of the industry, its processes and policies. Employees need to understand their relation to the joint endeavour so that they may once more have a creative interest in their work."

One of the earliest established and best known works committee systems in the United States is that of the Colorado Fuel and Iron Company, which dates from 1915. Representatives are selected from the five divisions of the steel works and mining camps and these meet in joint conference with an equal or smaller number of representatives of the management at least once in every four months. Four joint committees of twelve members each are elected yearly at one of these conferences: one on industrial co-operation and conciliation, for the consideration of any matter pertaining to the prevention and settlement of industrial disputes, terms and conditions of employment, maintenance of discipline, company stores, etc.; the second on safety and accidents; the third on sanitation, health and housing; and the fourth on recreation and education. If the conciliation committee fails to settle a dispute, the matter is referred to arbitration. Similar plans are in operation in several other plants in the United States.

One variant of the " employee representation " scheme is the " Congress Plan,"—also known as the Leitch Plan. This is an attempt to apply the principle of the American constitution, *i.e.*, political democracy, to the government of a factory and thus to create industrial democracy. Leitch defined " industrial democracy " as " the organisation of any factory or other business institution into a little democratic state, with a representative Government which shall have both its legislative and executive phases." In accordance with this plan the workers elect a House of Representatives; the management constitute a Senate and the directors retain the powers of the President. The House of Representatives has little real power to enforce its demands.

In November, 1919, the United States Bureau of Labour Statistics reported that information had been received regarding about one hundred and sixty companies which had works committees of some sort operating in their plants. " In almost all cases where an opinion was expressed, the plan was working satisfactorily, although a number qualified this opinion with the statement that it had not yet been in effect long enough to permit of a determination as to whether it would result in better relations permanently. Several companies state also that while it was feared at the outset that there might be a tendency to elect the more radical members of the force as representatives, the general tendency had been toward selection of workmen who were fair-minded and unprejudiced."

In the *Monthly Labour Review* for February, 1920, issued by the United States Bureau of Labour Statistics, Dr. Royal Meeker, then Commissioner of Labour Statistics, states, *inter alia* :

> " The different types of shop committees and works councils in this country which I have been able to examine may be divided into three pretty distinct groups, namely (1) closed shop committees of union workmen, chosen exclusively by union men affiliated with national or international unions; (2) open shop committees, composed of workers chosen by the votes of all workers who have been employed in the shop the required period of time; (3) open-closed shop committees, chosen by all workers qualified to vote in a shop that is closed against trade unions and which may or may not have a local plant or corporation organisation of the workers. . . . . The trade unions, naturally enough, want all shop committees to be tied up to the national craft organisations. . . . . The huge majority of employers in this country are, and always have been, opposed to labour organisation. . . . . As to function, most shop committees deal with grievances, working conditions, wages and hours of labour, and methods of payment. . . . . As to participation in management in industry in the true sense of the term, there is as yet practically none in the United States."

In May, 1922, the National Industrial Conference Board (which acts on behalf of several of the leading organisations of employers in the United States) issued a Research Report on " Experience with Works Councils in the United States," dealing with 725 such organisations—all that were known to exist in February of that year. Most of these have been in operation for periods varying from two to five years. The following extracts contain the general conclusions arrived at by the investigators acting for the Board :—

1. *Flexibility.*—" There is no ' model ' Works Council plan which may be applied indiscriminately to all industrial concerns. . . . Rigidity in a plan of employee representation is to be avoided; a Works Council plan should be flexible enough to admit of ready adaptation to new requirements as they arise."

2. *Grievances.*—" Usually, when a Works Council is first installed in a plant, there is a tendency for employees to use it chiefly for presenting complaints and grievances. . . . In a few instances, this remained the principal use which the employees made of the Works Council plan, even after it had been in operation for a year or more."

" Where this had been the case, the explanation was found in the failure of management to take an active interest in the Works Council. . . . But little effort was made to enable men and management to arrive at a better understanding of each other's point of view, by holding regular meetings of the works committees at which a free exchange of ideas and suggestions could take place; nor was an effort made to direct the interest of employees upon subjects of a constructive nature."

3. *Interest in Efficiency.*—" As the Works Council became better understood, so most employers reported, there took place a gradual decrease in the use which the employees made of the works committees for the presentation of complaints and grievances, and a corresponding increase in the interest which they manifested in general business conditions and plant efficiency. . . . Management realised that, to gain the confidence of its employees, it had to provide a means of regular intimate contact with them, and had to strive to obtain their good will. . . ."

" The extent to which employees take an interest in increasing productive efficiency appears to be directly related to the extent to which they have confidence in the fairness of management in its dealings with them, and to the degree to which they are convinced that it is to their interest that production be maintained and efficiency kept up. These are objectives difficult of achievement; the statements of employers furnish evidence, however, that employee representation plans have been valuable as instruments for gaining them."

4. *Wage Reductions.*—" Employers stated that wage reductions or changes in work-hour schedules were put into effect in this way with much less misunderstanding and friction than would otherwise have been possible. This was the case because the employees were in a position to realise that the economies which were made did not originate from a ruthless desire on the part of the employers to lower the employees' standard of living, but arose from the pressure of economic forces against which the employer, as well as the employee, was more or less helpless."

5. *Relations between Men and Management.*—" In practically every plant covered by the present investigation the effect of Works Councils upon relations between management and men was reported as beneficial. . . . In the few cases in which an unfavourable effect on the relations between management and employees through their Works Councils was reported, the reason was found in the lack of employer interest in the Council."

6. *Foremen.*—" One of the outstanding benefits of employee representation according to opinions collected by the Conference Board from employers, employee representatives and foremen, has been the better spirit fostered by it between the foremen and workers. On foremen who had heretofore been arbitrary in dealing with the men under them, the Works Council has been a check in that it has made their decisions subject to review and

change by the works committees. The fact has helped to introduce more careful consideration and greater fairness into the foreman's dealings with his subordinates. . . . Employees laid particular emphasis upon this as one of the outstanding benefits of employee representation, namely, the marked improvement in the relations between the foremen and themselves."

7. *Choice of Representatives.*—" Practically all employers reported that in the main very good judgment has been used by employees in their choice of representatives on Works Councils. . . . Instances of men with radical views having been elected were also reported; usually, however, the responsibility placed upon these men as representatives, together with the education they received in the Works Council meetings, have had the effect of moderating their views."

8. *Labour Turnover.*—" Labour turnover was believed to have been reduced as a result of the close contact and better understanding developed between men and management. The elimination of petty, irritating details through discussion and settlement by the works committees was felt to have reduced to a considerable extent the number of workers formerly leaving their employment because of misunderstanding."

9. *Trade Unions.*—" Although it is known that organised labour is officially opposed to any system of representative committees that does not provide for full recognition of trade unions, individual members of the union, the investigation has shown, have in many instances heartily supported, and taken an active interest in, Works Councils. . . . Very little definite information is available as to the success or failure which has attended organised labour's opposition to Works Councils. In a few cases, trade unions have been successful in alienating the employees from their support of the Councils; in others, the employees' confidence in the fairness of management and their belief in the effectiveness of the Works Council as a means for the adjustment of differences and the promotion of mutual understanding, have formed an insuperable barrier to the antagonistic activities of the unions."

The Report concludes that the following conditions are essential for the satisfactory operation of a Works Council scheme :—

(*a*) Both parties must be in favour of an " employee representation " plan.

(*b*) Mutual confidence must exist. " Joint interest . . . cannot be created by enactment or decree."

(*c*) " The employer must keep in close and active touch with the representation plan and must be frank and sincere in his dealing with and through it. . . . ' Fairness begets Fairness.' . . . Where management takes no interest in the Works Council after it is introduced into a plant, where it does not ' play the game ' according to the rules of the plan, the Council becomes at best a mere grievance committee with the probability of its having a destructive rather than a constructive effect upon the relations between the employees and management."

In addition to these " employee representation " schemes, there have been established in certain industries where organisation is on a national basis, joint bodies more nearly analogous to those contemplated in the Whitley Report.

An International Joint Conference Council for the Printing Industry and Allied Trades was set up in accordance with a resolution passed in April, 1919. The scheme was ratified by four associations of employers and five international trade unions, and covers the firms which do from 70 to 75 per cent. of the book, periodical and job printing business of the United States. The Council, which consists of ten members, is to be thoroughly informed as to " conditions and interests of all parties in the industry and in a position to suggest for ratification regulations which shall eventually become the law of the industry. . . . . In carrying out its purposes, the council is to function through local unions, chapel and shop committees affiliated with the respective international unions, parties to this agreement, local allied printing trades councils, and local associations of employers in the respective trades." (It should be noted that the United Typothetæ, one of the organisations on the employers' side of this Council, consists of two separate and clearly defined branches (*a*) the " closed " shop branch, and (*b*) the " open " shop branch. The " open " shop branch is not a party to the scheme.)

The Council deals not only with wage scales and specific wage agreements, but with the outlining of general trade policies which will secure the greatest degree of co-operation and protect the interests of the public; legislation affecting the trade; methods for securing uniform hours and shop practices; co-operation with the Government in regard to selling prices; consideration of causes of disputes; apprenticeship; improvement of processes and standards of workmanship; safeguarding the rights of designers of improvements; the practicability of establishing wage adjustment boards, and, in fact, any matter of " interest to the trade whether industrial, educative, economic, legislative or hygienic."

In the electrical construction industry of the United States, a national industrial council similar to that in the printing trades was created in April, 1920. The council consists of ten members representing equally the National Association of Electrical Contractors and Dealers and the International Brotherhood of Electrical Workers. Provision is made for conciliation in case of disputes, the council to act as arbitrator if necessary, and for the appointment of committees for special purposes.

Reference may also be made to the schemes in operation in the clothing industries in the United States. The plan generally adopted originated at the plant of Hart, Schaffner & Marx, Chicago. By an agreement between this firm and the Amalgamated Clothing Workers, provision was made for the establishment of a " Trade Board " consisting of five delegates elected by the workers from amongst themselves and five representatives of the employers. The " Trade Board " discusses all questions that arise. An independent chairman, with powers of arbitration in case of deadlock, presides over all meetings of the " Trade Board." In the event of dissatisfaction with any decision of the

Board, provision is made for appeal to a Board of Arbitration composed of three members, one appointed by the firm, one appointed by the Union and the third, who is chairman, appointed by agreement between the parties.

Similar schemes are (or have been) in operation in the clothing trades in New York, Rochester and Baltimore.

The International Ladies' Garment Workers Union has also a number of local agreements on similar lines.

Canada.

As a result of its geographical position, Canada is naturally affected by the developments in the United States. The trade unions in Canada are affiliated to International Brotherhoods, having their headquarters in America, and Canadian employers have, in many cases, large interests in the United States. But while the United States has, in the main, pinned its faith to the " employee representation " scheme, Canada inclines to the Joint Industrial Council on " Whitley " lines, although there are in existence plant committees similar to those in the United States.

In April, 1919, a Royal Commission on Industrial Relations was appointed by the Dominion Government " to consider and make suggestions for securing a permanent improvement in the relations between employers and employees " and " to recommend means for insuring that industrial conditions affecting relations between employers and employees shall be reviewed from time to time by those concerned, with a view to improving conditions in the future." The report submitted by the Commission stated : " There is urgent necessity for greater co-operation between employer and employed. The great obstacles to such co-operation is the suspicion and distrust with which in many cases each regards the other." A recommendation was made in favour of the formation of Joint Industrial Councils and Works Committees; the Commission also advised " that the Government should interest itself in the development of these Councils and that a bureau should be established under the Minister of Labour which would compile all available statistics on this subject, undertake publication of developments in this and other countries, maintain officers who would be available to give assistance and act as liaison officers between employer and workers where desire is expressed to create such Councils, and render such other assistance as may be required." The report states, however, that the commissioners " are under no illusions as to industrial councils constituting a universal panacea for all industrial troubles. Their usefulness will depend upon the spirit in which they are adopted."

In accordance with a recommendation of the Commission, a National Industrial Conference was held at Ottawa in September, 1919, representative of the employers and employees and of the public; the subject of Joint Industrial Councils and Works Committees was discussed and the conference unanimously adopted a resolution approving the formation of Joint Industrial Councils as a means of furthering greater co-operation between employer and employees.

The various methods adopted in Canada for securing to the employees a voice in the management differ but slightly in the principles involved. The chief objects of the different joint industrial councils and committees as reported to the Canadian Department of Labour are : (1) to provide means whereby on the one hand employees may crystallize their thoughts, and present their views to the management, with respect to wages and working conditions, and on the other hand to enable the management to become better acquainted with the preferences and points of view of the workers; (2) to provide means for exchanging ideas and suggestions and to develop further a spirit of co-operation; in short, to secure the largest possible measure of joint action between employer and employee in any matters affecting their common welfare. Some committees are charged with the administration of trust funds and sickness benefits; others again deal with questions of policy relating to wages, hours, employment, working conditions, works practice, safety, sanitation and health. The number of employees coming within the scope of joint councils and committees in July, 1920, was reported to be approximately 145,000.

Arising out of the National Industrial Conference of 1919, referred to above, a conference was convened by the Ministry of Labour in February, 1921, of representatives of a large number of companies in Canada which had established Joint Councils with their employees. The consensus of opinion expressed by the members of the conference was that the work thus far conducted in the field of industrial councils justified a continuation of the confidence of both employer and employee.

A brief outline of the form of joint machinery set up in certain industries is given below.

In August, 1918, following the procedure adopted in the United States of America, a joint board, known as the Canadian Railway Board of Adjustment No. 1, was formed by agreement between the railways of Canada and six of the railway employees' brotherhoods " to avoid disputes or misunderstandings which would tend to lessen the efficiency of transportation service in Canada during the war." It was further agreed that this arrangement should continue in effect after the war, unless either of the parties desired to terminate it. The operations of the Board during the war proved to be so effective that the arrangement was continued by mutual agreement.

In the spring of 1920 there was organised the Saskatchewan Civil Service Joint Council. The Council, representing the Government and Civil Service employees, is composed of three deputy ministers and three members of the Saskatchewan Civil Service Association. The Council may appoint such committees as may from time to time be deemed advisable and may call officials or employees before it to give information regarding any matter under consideration. Recommendations of the Council are referred to the deputy head of the department concerned

and to the Civil Service Commissioner. Matters dealt with include complaints as to salaries, allocation of work, holidays, sick leave, the operation of the staff dining room and similar matters.

A joint body known as the National Joint Conference Board of the Building and Construction Industries of Canada, was organised in 1920 to furnish a common meeting ground for the discussion of questions affecting employers and employees in the building and construction industries. It is composed of five representatives selected by the Association of Canadian Building and Construction Industries, and five members selected by the representatives of the international trade unions in the building trades. In connection with this National Board, there are local boards which deal with disputes and agreements; such boards or councils are already functioning at Ottawa, Toronto, London and Hamilton, and their operations are reported to have accomplished much in standardising conditions of contracting and of employment and to have secured a great measure of joint action between employers and employees for the development of these industries as a part of the national life, and for the improvement of the conditions of all engaged therein. At a joint conference held in Ottawa in May, 1921, consideration was given to the establishment of further local boards.

A system of joint action has been developed in the men's clothing industry, based on the system in operation in the plant of Hart, Schaffner and Marx, Chicago. In the cities of Montreal, Toronto and Hamilton the Amalgamated Clothing Workers of America have boards representing the workers. These boards are employees' organisations and do not represent the employers. Each board has a manager who acts with the labour manager of the associated clothing manufacturers in the adjustment of disputes. The labour adjustment council, made up of representatives of employers and employees, considers all matters on which the business manager of the union and the general manager fail to agree. If the members of the council do not reach an agreement, the " impartial chairman " makes a recommendation which is binding on both sides.

Among the industries and branches of employment in which Joint Councils or Committees had already been introduced at the date of the Department's Report (February, 1921) are the following :—Abattoirs, Agricultural Implements, Automobiles, Bridge and Structural Iron, Brush Manufacturing, Building and Construction, Civil Service of Saskatchewan, Clothing, Engineering, Oil, Packing, Railways, Rubber, Telephones, Woollen Goods.

The concluding observations of the Canadian report referred to are as follows :—

> " In Great Britain, the proposal of the Whitley Report was that national industrial councils should be established first and that they should promote the formation of district councils and works committees. This suggestion is the logical result of the fact that in Great Britain the important industries are organised in national employers' associations and trade unions which cover almost entire industries. On this side of the Atlantic there is no such complete organisation and the procedure followed in Great Britain is less applicable; the result is that joint action on the part of employers and employed in Canada and the United States is generally developed first in the plant or shop.
>
> " In a few plants in the United States, there were experiments along these lines before the war intensified the labour problem, but the great majority of the schemes now in operation in the United States were adopted during the war or since the Armistice. The National War Labour Board, the Shipping Labour Adjustment Board, the Fuel and Railroad administrations and other Governmental agencies accepted the principle of joint action and provided for the installation of plant and shop committees in their awards, or encouraged their formation in other ways.
>
> " Canadian and American experience with voluntary organised works committees varies from the plans which are based on labour organisation and collective bargaining to those in which trade unions are not recognised, and though there may be collective dealing with the representatives of the workers, there is no ' collective bargaining ' in the sense which labour usage has given to that term."

France.

So far as consultative bodies are concerned, *e.g.*, commissions and councils set up by the Government to deal with questions involving the interests of the workers, it has long been the practice in France to give workers equal representation with employers on such bodies. Perhaps the most noteworthy example of the application of this principle is supplied by the *Conseil Supérieur du Travail*, established by Decree of 22nd January, 1891. The main function of this Council is to advise the Government on all questions concerning labour in industry and commerce, with a view to improving the condition of the workers. The composition of the Council, as fixed by the Decree of 31st January, 1921, is as follows :—Total membership—78, consisting of 32 employers, 32 workers, 3 senators, 5 deputies, 1 member of the Paris Chamber of Commerce, 2 members chosen by the Higher Council of Co-operation, and 3 men of learning. The Standing Committee of the Council has 19 members, of whom 7 represent employers and 7 workers.

Another example of the principle of joint representation is to be found in the Higher Council of Railways, instituted by Decree of 11th February, 1922. On this Council 12 representatives of the staff (two from each of the six main lines) sit with 18 members of the managerial board and 30 representatives of the general interests of the nation. On each of the two sections of the Technical and Commercial Committee of the Council there are

7 representatives of the staff, but they are very much outnumbered. It may be added that a system of local joint labour committees (*comités du travail*), instituted on the railways in 1919, is said to have been a great success. Mention may also be made of the Maritime Port Joint Committees, set up by Ministerial circular of 10th August, 1919, in each maritime port, to prevent or settle disputes. They deal with all questions relating to working conditions in the ports. In January, 1920, a central joint committee, to co-ordinate and control the port committees, was established at the Ministry of Labour in Paris. It is also of interest to note that the administrative regulations so far issued in application of the Eight-Hour Day Act of 23rd April, 1919, to the different industries, embody, for the most part, the agreements reached by *ad hoc* joint committees of employers and workers in the industries concerned.

Little headway has, however, been made in France in the direction of establishing either Joint Industrial Councils or Works Councils, such as exist in Great Britain. The employers of labour, as shown by the report of a number of manufacturers to the National Association for Labour Legislation, have indicated their willingness to establish voluntary (not statutory) Joint Councils with limited powers, such Councils not to discuss questions of finance and the engagement and dismissal of workers.

In certain industries, particularly printing and mining, local or regional joint committees for the purpose of settling collective disputes have existed for some time past. The French Ministry of Labour reported in 1921 that the movement in favour of these committees had developed in most industries. Their principal function appears to be the conclusion of collective agreements. An institution singled out as particularly interesting is the Joint Naval Union (*Union Navale Paritaire*), which was established in May, 1921. It comprises representatives of the shipowners and of the maritime federations, and its executive is composed of equal numbers of representatives of both sides. The union is said to have already done a considerable amount of work in furtherance of its object, which is to foster the prosperity of the mercantile marine and to facilitate agreements on working conditions.

Belgium.

The rapid economic recovery of Belgium* after the war was attributed in certain quarters to the easy development of joint organisations for the adjustment of industrial questions with a minimum of external interference. Employers and workers were already well organised, mostly in national unions for each industry, which facilitated the establishment of national conferences for each group of trades. In a number of important industries these joint

* Joint Councils of Industry and Labour, to exercise the functions of conciliation and arbitration, have existed in Belgium since the Act of 16th August, 1887, authorising their creation was passed.

conferences developed into permanent Industrial Councils (National Joint Commissions) for the settlement of labour conditions, with district and shop councils to deal with local problems.

The constitutions of the statutory Commissions, drafted by joint conferences of employers' and workers' representatives, differ very little from each other. The Mine Commission (first instituted by Royal Decree in April, 1919, and placed on a permanent footing in January, 1920) may be regarded as typical. It consists of ten employers nominated by the Coal Owners' Association and ten workers' delegates, with a Chairman acting in an advisory capacity only and a Secretary appointed by the Government. Its duties are to fix the hours of labour, wage scales and general labour conditions for the six coalmining districts. The Commission instituted three groups of local bodies for the settlement of local disputes, namely, district councils, local councils for each concern working a group of mines, and permanent workers' committees for each pit. No strike or lockout may take place until the pit committee, the local council and the district council have attempted to effect a settlement by conciliation, a period of two weeks being allowed for this attempt.

National Joint Commissions or Committees similar to that set up for the mines are known to exist for the following industries, viz., building, transport (tramways, local railways, motor transport), iron and steel, bread, hotels, restaurants, etc., engineering and machine making, public services (electricity, gas), artificial ice, wood and furnishing, and the Port of Antwerp Regional Committees have been established for the flax-retting and stripping, the clog and the brush industries.

Italy.

Unofficial shop stewards and works' councils movements made some headway in Italy during 1919, as they did in the United Kingdom during the war, but on the whole the Italian workers looked for inspiration rather to the Russian Soviets than to any other foreign source.

In January, 1920, the owners of a cotton factory at Turin, who were not members of the employers' association, refused to accept the recognised district standards, and the factory was occupied by the workers. The Government intervened by taking over the establishment, but when the firm agreed to conform with the recognised standards, it was allowed to resume control. In the ensuing few months, the action of the Turin workers was imitated in a few isolated cases, but without striking effect. It formed, however, a precedent for the more general movement in September, when, following a claim for an advance of wages and other concessions, the Italian metal workers took possession of a considerable number of factories and established Works Councils to maintain order, to organise the work in the factories, to secure and distribute any available supplies of raw material

and to organise sales. Before this happened there had been constant discussions in advanced labour and socialistic circles about the machinery and methods of " workers' control." The September difficulties led the Prime Minister in the same month to appoint a joint committee to assist the Government in drafting a Bill to give the workers a share in the " control of " industry; but it is necessary to keep in mind that the Italian word " controllo " conveys the idea of " audit " or " inspection " or "check" rather than the full sense of the English word " control." Three schemes of " control " were presented to the Italian Government—one by the General Confederation of Labour; one by the (Employers') General Confederation of Industry, which was practically identical with the Whitley Scheme; and one by the (Catholic) Confederation of Workers, which, while aiming at the final expropriation of the employer, contemplated Joint Industrial Councils. This last organisation was not represented on the joint committee appointed by the Prime Minister, which failed to agree and decided that each side should report separately. The Bill prepared by the Giolitti Government did not become law, and the question has not been proceeded with by subsequent Governments.

Among other expressions of the principle of joint discussion to which reference should be made may be mentioned the Government Bill, introduced early in 1922, to regulate labour in ports by means of Labour Offices, jointly controlled, and the movement to create a National Council of Labour—a kind of " industrial parliament" superseding the present Higher Council of Labour—which has been the subject of several Government Bills.

It is, however, claimed by an authoritative writer* that, even without the intervention of the legislator, one of the most important reforms effected in Italy since the war has been the widespread adoption of the system of workers' committees. Comprehensive and detailed regulations for such Committees were made for the first time in the workshop regulations which are an integral part of the basic agreement of February, 1919, for the engineering, iron and steel, and shipbuilding and allied industries. This agreement was the employers' response to a request for the institution of workers' committees. Since then, workers' committees have been gradually adopted in many other industries. In nature and methods of working, these are broadly similar to those in the engineering and iron and steel industries, which may, therefore, be taken as typical examples.

The function of the workers' committee in a given establishment is to discuss with the management general questions affecting the workers and to consider disputes and individual claims regarding the application or interpretation of the regulations, in cases where a point of general interest is plainly involved. Individual claims of any other kind must follow the normal procedure of the establishment, and are settled by direct negotiation between

* Signor Gino Olivetti, Secretary of the General Confederation of Italian Industry, in an article published in the *International Labour Review*, February 1922.

the workers concerned and their superiors. Many agreements explicitly assign definite duties to the workers' committees, as, for instance, the expression of opinion on regulations to be adopted by the management, agreements fixing hours of work, etc. There is no need to enumerate these, since they are all covered by the preceding general description of functions of the committees.

The number of members of a committee varies with the number of workers to be represented. The committee consists of 3, 5, 7 or 9 members, when the number of workers is under 100, under 500, under 1,000 or over 1,000 respectively. All workers, male and female, who are over 18 and have been employed by their firm for at least three months have a vote. All workers, male and female, who are over 21 and have been employed by their firm for at least six months are eligible for membership of the committee. Members hold office for one year, and are re-eligible. They have no special privileges.

The elections are by secret ballot under reciprocal guarantees for the management and for the workers. Attention may be called to the provision which ensures the representation of minorities on the committee by limiting the number of names to be written on each ballot paper to 2, 3, 5, or 7, according as the number to be elected is 3, 5, 7, or 9 respectively. Special provisions are made for the partial or total re-election of the committee in consequence of the resignation of some or all of its members.

The committee must arrange to do its work outside working hours; the members are not allowed to leave their places or stop work, unless sent for by the management, or in exceptional cases for which adequate reasons can be given. The management must, if at all possible, place an office at the disposal of the committee for one hour after the close of the normal working day, where the committee may receive complaints from the workers.

When the committee wishes an interview with the management, the request must be accompanied by a statement of the reasons for it. The management shall, within twenty-four hours, fix the day and hour of the interview, which shall take place at the earliest possible moment. The decisions of the committee must be recorded in writing and signed by both parties; they are binding on the workers.

As a comment on the foregoing, it should be stated that a foreign observer* noted, in October, 1921, that many manufacturers in Milan had split up their factories into several workshops in and outside the town in order to reduce the number of workmen in each establishment, and thus to avoid the creation of internal committees. This step led to increased overhead charges and cost prices, but, it was stated, these prices were lower than those of centralised factories, where the committees disorganised the work. Similar complaints have been met with in Italian sources of information.

It remains to be added that the terms of settlement of an Italian railway strike in January, 1920, included provisions for five

* *La Grèce contemporaine*, November-December, 1921, p. 537.

members of the Board of Administration of State Railways to be elected by the workers from among themselves; this representation leaves the workers' nominees in a definite minority. The Board has the normal functions of a Board of Management, but its decisions are subject to the approval of the Minister of Transport, who may modify them.

A commission or board, on which the workers are represented in a minority, was created in 1906 to secure for workers on private railways the privileges, advantages and wage-conditions enjoyed by workers employed on the State railways. By Acts of 1912, 1919 and 1920, its powers were extended to cover workers employed on tramways and inland navigation. This legislation was experimental, and, in the result, it is stated to have had disastrous effects on the financial situation of the undertakings concerned. A Bill to effect a drastic revision of the Acts mentioned was introduced in August 1921, but nothing has since been heard of it. It is not unlikely that these *equo trattaments* Acts as they are called, will be allowed to expire automatically in 1923.

As in France, the idea of joint discussion appears to have made substantial progress in Italy so far as consultative bodies, *e.g.*, the Higher Council of Labour, are concerned. It may also be mentioned that collective bargaining between the trade union and the employers' organisation is a normal feature of Italian industry, the conditions of service in most industries being regulated by collective agreements concluded as the result of such discussions.

Germany.

Historically, the first step towards legal participation of German workers in the management of undertakings was an Act of 1891 which amended the Industrial Code. This imposed on employers the obligation of issuing shop rules after consultation with their workers of full age or a Workers' Committee chosen by a majority of such workers. The employer was not compelled to follow the advice of the Committee. Such Committees were established in a considerable number of undertakings. A firmer legislative foundation was laid in July, 1905, for the Mining Industry in Prussia, and subsequently also in other States, by an enactment which provided that in all mining undertakings employing at least 100 workers, miners' representatives to inspect the mine and workers' committees must be elected; the object was stated to be the maintenance and, where necessary, the restoration of a good understanding among the workers and between the workers and the employers, and also the bringing forward of demands and complaints on the part of the workers, relative to the conduct of the undertaking, the conditions of labour and the provident institutions of the mine.

The next step due in some degree to the enormously increased influence of the trade unions, was a clause in the National Service Law of December, 1916, which introduced the industrial mobilisation of every man up to 60 years of age capable of work and not engaged in military service. This provided that, in every undertaking engaged in work of national importance employing not less than 50 persons, workers' committees must be established with functions similar to those already exercised by the workers' committees in the Mining Industry.

Shortly before the end of the war, a Central Joint Industrial League or Alliance was formed. This body, which is a non-statutory organisation covering the whole of Germany, is composed of representatives of employers' and workers' organisations in equal numbers and with equal rights. All industries are represented and for this purpose are divided into fourteen groups viz., iron and metal working; food, drink and tobacco; building; textiles; mining; stone quarrying, brick and cement; wood working; clothing; paper; leather; glass and pottery; chemicals, oils and fats; electricity, gas and water-works. For each group, there is a National Joint League. These groups are sub-divided into trade groups, and the trade groups are further sub-divided into trade and district sub-groups which deal with economic and social problems peculiar to comparatively small sections of the industrial community.

The function of the National Joint Leagues is to settle independently all questions affecting their industry or branch of industry. The affairs of the Central League are vested in a Central Committee and a Central Executive. The Committee is composed of deputies elected by the Joint Leagues from their members together with representatives of the central boards of employers' associations and workers' unions. It deals with questions which are common to all or some of the National Joint Leagues, and is the final court of appeal in disputes between individual Leagues. As early as the 15th November, 1918 (and thus in the second week of the revolution), the eight-hour day was introduced throughout almost the whole of Germany by an agreement arrived at by this Central Joint Industrial League. The agreement also stipulated among other things that, in all undertakings employing at least 50 persons, workers' committees should be established.

It is extraordinarily difficult to estimate the exact value or ascertain the precise functions of these Joint Leagues. Dr. Fertz Sitzler, of the Ministry of Labour, in the *International Labour Review* for October, 1922, says that their contribution to the peaceful development of the relations between employers and employed has been considerable, even allowing for the subsequent transfer of some of their functions to the Provisional Federal Economic Council. On the other hand, the Leagues are losing popularity among the workers. Many unions have withdrawn, and a motion for continued support of the Leagues put forward by the Executive at the Congress of the Confederation of Trade Unions at Leipzig in June, 1922, was carried by the barest majority. Commenting on this, the editor of *Soziale Praxis*, Dr. Ludwig Heyde, says that it is a clear sign of the amount of ground lost

by the Leagues in three years. At the Nuremberg Congress in 1919 the great majority of the Unions were in favour of them. Dr. Heyde assigns the following reasons for this failure : (1) The premature establishment of the Federal Economic Council, which brought matters which might have been solved in informal negotiations of the Leagues too early into the atmosphere of political debate; (2) the withdrawal of important trade unions, the unfriendly attitude of the Afabund (the chief association of non-manual workers) and the lack of reciprocity on the part of employers; (3) agitation against them by stubborn adherents of the class war; and (4) inadequate counter-agitation by Labour leaders who support the principle. On the other hand, again, apparently no further unions have withdrawn since the Congress, and a new National League was founded in April, 1922, for the newspaper trade.

In some respects, these voluntary joint bodies bear a closer resemblance to the Joint Industrial Councils of Great Britain than do the statutory Works Councils described below.

The Revolutionary Government, taking these tendencies into account in December, 1918, issued an Order by virtue of which workers' committees were required to be established in all undertakings, administrations and offices employing not less than 20 workers or salaried employees, for the purpose of protecting the economic interests of the workers in relation to the employer. Certain sections of workers to whom the rights of representation and participation thus granted did not appear sufficient, obtained important improvements by vigorous industrial action; among these were the miners of Central Germany.

In fulfilment of promises given by the Federal Government in a Proclamation of March, 1919, and under pressure from all parts of the country for the definite legal establishment of the Councils system, the new constitution of the German Republic of 11th August, 1919, contained provisions on the subject. These resulted, after much discussion, in the passing of an Act by the National Assembly, in February, 1920, requiring works councils to be set up in all undertakings, whether public or private, in which at least 20 persons were usually employed. In smaller undertakings employing at least 5 persons, the works council is replaced by a single representative. A special council is required for homeworkers. The Act applies to agriculture and forestry, subject to the proviso that only permanent workers are to be reckoned for the purposes of the councils. The establishment of representative bodies for seamen was left over for future legislation.

As a general rule, a distinction is made between manual and non-manual workers, and for certain purposes the representatives of these two groups meet in separate councils.

All manual and non-manual workers, without distinction of sex, who are 18 years of age and in possession of civic rights, may vote at the election of works councils. Members of the works councils must be German citizens over 24 years of age

who have finished their vocational training and have worked at least six months in the establishment and at least three years in the trade or occupation in which they are engaged. Members of the works councils are elected for a term of one year, but their re-election is permissible.

For several undertakings belonging to the same employer or firm in one locality, a " Joint Works Council " may be set up side by side with the separate works councils, or alternatively a " Common Works Council " may be appointed instead of separate councils. The Act also provides for the convening of all the workers in the " works meeting." Larger councils elect a works committee which has certain important functions intended to meet the employer's objection to placing confidential information before a large committee.

The powers of the works councils are somewhat indefinite. It is expressly stated that they have no right to interfere in the management of the works on their own initiative. Their function is rather to negotiate with the employer and it is left to the management to carry out the conditions agreed upon.

The council, may, however, require the employer, save in exceptional cases, to keep the Committee informed of all action taken which affects conditions of employment, salaries or wage lists and other matters appertaining to collective agreements, and he must in all cases present a periodic report showing the position of the undertaking and of the trade in general, the business done, and the anticipated demand for labour. In larger undertakings, employing as a rule at least 300 manual or 50 non-manual workers, the council may further require the employer to submit and explain the profit and loss account and the balance sheet.*

The duties of the councils are set out under nine heads. The first two are of a general nature; the councils must assist in the management of the works by their advice and co-operate in a friendly spirit in the introduction of new methods of work so as to achieve " the highest possible standard in production." Their third and fourth functions are concerned with the settlement of disputes with the employer. They are expected to intervene without encroaching on the sphere of action of the trade unions concerned; if no settlement is reached they must appeal to the district conciliation committee, or some other organ of conciliation which it may have been agreed to employ, and they have afterwards to see that the award is obeyed. The fifth function of the councils is to negotiate the terms of employment or service with the employer, subject to any collective contract that may be in operation. The employer is bound to submit to the council draft shop rules or amendments to such rules. If the council objects to any of the rules proposed and no agreement can be reached, either party may apply to the district conciliation committee for an award. The sixth duty of the works councils is to endeavour to keep the peace amongst the workers themselves

* A separate Act to give effect to this clause was passed on 5th February, 1921.

and between the workers and the employer and to defend the workers' right of association; their seventh is to intervene with the employer in the matter of complaints received from the separate group councils of (*a*) wage-earning and (*b*) salaried employees. Their eighth duty is concerned with the prevention of accidents and the protection of the workers' health; to this end they must assist the inspectors and promote the proper observance of legal provisions or regulations for the protection of life and health. The last item in the list gives the councils the right to share in the administration of pensions schemes, workers' dwellings and other welfare institutions in the undertaking.

A more direct, although slight, share in the real control of the undertaking is given to the workers in another section of the Act which provides that, in undertakings where there is a board of control, one or two members of the works council shall be deputed to serve on the board with full voting rights. A separate Act to give effect to this clause was passed on 15th February, 1922. According to *Soziale Praxis* of 6th September, 1922, however, a large number of instances are available of attempts by companies to evade this Act by altering their rules so as to transfer part of the functions hitherto exercised by the Board of Control to special committees, called by various names, elected by the general meeting. The case of the *Mitteldeutsche Kreditbank* is worth special notice, as it has led the employees to decide to take a judicial decision on the point at issue. At the general meeting of the company at Frankfort, on 22nd May, 1922, a proposal was adopted by which the functions of electing the members of the Board of Directors (*Vorstand*) and of granting powers to act for the company were transferred from the Board of Control to a "Personal Committee." Herr Decker, of the Association of Bank Officials, who was present as the Works Council representative, objected to this decision as illegal, because it deprived the representatives of the Works Council of the means of exercising their right as defined by the Constitution.

The Federal Association of German Industry and the Federation of German Employers' Associations have issued detailed instructions on how to confine the influence of the Works Council members on the Boards of Control within the narrowest possible limits. The following are some of the suggestions:—

Works Council members are not entitled to information as to the affairs of the company nor to examine their books. This right belongs to the Board of Control as such and not to any individual member, whether ordinary or representative of the Works Council. The Board of Control may delegate such powers to any of its members, but no individual member to whom such power has not been delegated has any power of external supervision, for example, with regard to the Board of Directors.

As regards alterations in the rules and articles of association it is suggested that the number of ordinary members of the Board of Control may be increased; that a limited liability company or a mining company may dissolve its Board of Control;

that the Board of Control may transfer some of its functions, such as the appointment of persons to positions of responsibility, to its chairman or to special committees. There is no legal provision giving Works Council members the right to be represented on such committees. There is no legal provision as to whether or how often meetings of the Board of Control must be held. The Works Council members take part in all meetings of the Board of Control, but it is scarcely necessary that they should be informed of letters circulated to members on points not discussed at meetings. In the articles of association of many companies it is provided that a meeting of the Board of Control must be called when one or more members demand it. It is recommended that the rules should be altered so as to grant this right only to members appointed by the general meeting.

Soziale Praxis comments that such amendments of the rules are certainly a blunder from a social point of view, but that it is very doubtful whether they are illegal. Certainly they do not violate the very elastic provisions of the Commercial Code. . . . The Act of 15th February, 1922, recent though it is, and in spite of the long deliberations which preceded it, has already proved to be unsatisfactory. It is urgently necessary that the legal position should be cleared up either by a judicial decision such as is sought in the case of the *Mitteldeutsche Kreditbank*, or by a redrafting of the Act.

The duties of the separate councils of wage earners and salaried employees are in some respects the same as those of the works councils. For instance, they are required in exactly the same words to co-operate in the enforcement of measures to prevent accidents and illness, and they may separately refer disputes to the district conciliation committees if the works council fails to do so. The duty of negotiating shop rules is also transferred to the separate councils if such rules are to apply specially to one of the two groups. In a general way, the separate councils have to keep a watch over the observance of collective agreements and arbitration awards, and they have to investigate the causes of complaints and negotiate with the employer for their removal. Their functions are fixed more specifically than those of the works councils in connection with the negotiation of rates of wages and other conditions of work (in the absence of any collective contracts on these matters). They have to co-operate with the trade unions concerned in the fixing of rates of wages, the introduction of particular methods of remuneration, the fixing of hours of work and annual leave, and the settlement of complaints regarding the training and treatment of apprentices. The care of persons injured in the war and by accident is specially referred to these councils, who are required to endeavour to help such persons in finding suitable work and to protect their interests as far as possible.

By far the most important duties of the group councils appear to be in connection with the engagement and dismissal of workers. They have to agree with the employer on principles which shall govern engagements and dismissals of staff. In the case of an alleged contravention of these principles the council can take the matter up and, if no agreement with the employer can be reached, it may appeal to the district conciliation committee or some alternative conciliation body, whose decision is final. An employer, however, may discharge employees without the intervention of the council or without appeal to the conciliation committee upon the principle, in the event of his partly or wholly closing down his enterprise. Members of the Council are specially protected in respect of dismissal or transference to another establishment.

The Act in no way prejudices the existing rights of Trade Unions to carry on independent negotiations, and the action of the Council in preserving peace in the establishment is not to be subversive of Trade Union authority. The Councils co-operate with the Unions for the fixing of rates of wages and working conditions. The relation of the Works Council to the Trade Union is co-ordinate rather than subordinate. The Act provides in particular that, if one-fourth of the members of the works council so demand, a representative of any trade union concerned must be allowed to attend the meetings in an advisory capacity. The employer can attend meetings of the Council only by special invitation or when he has himself exercised his right to convene a meeting. When entitled to be present he is allowed to be accompanied by a representative of his trade organisation.

Expenses of works councils are met wholly by the employer. In the event of a dispute as to the necessity for incurring particular expenses appeal may be made to the District Economic Council. Compensation for time lost by workers on council business during working hours is also chargeable to the employer, but meetings are held so far as possible outside working hours.

In dealing with the attitude of employers and workers to the works councils, the Report from which the above summary is mainly taken states that the workers of every shade of opinion are unanimous in regarding the Act as merely an instalment—the first step towards eventual industrial democracy. Their trade union organisations, moreover, are almost without exception in favour of the affiliation of the Works Councils to the trade union organisation and against an independent organisation of the Councils. The trade unions have developed their position to the extent that they were able to call a first Congress of Works Councils in October, 1920. At the present time works councils elections are almost entirely controlled by the Trade Unions. The combinations of employers are opposed to any further extension of the provisions now in force. They complain that, even under existing conditions, the works councils impede the working of the undertaking and are wasteful of time and money.

Before leaving the subject it may be useful to direct attention to the main items of difference between the works committees under the Whitley Scheme and the works councils under the German Act. The former are joint bodies providing for representation of the management, whereas the German councils are workmen's organisations at whose meetings the employer has right of representation only on special occasions. The British scheme rests wholly on a voluntary basis, and the furnishing of information concerning the state and prospects of his business is entirely a matter for the discretion of the employer : the German works councils on the other hand have statutory powers of access to such records of the firm as affect the interests of the workers.

While the works council is the foundation of the scheme, a superstructure has been planned consisting of (1) District Economic Councils, which will decide disputes affecting the establishment and constitution, competence, &c., of works councils ; election rights, appointments, &c., and the necessity of the expenses incurred by them ; (2) State and Federal Economic Councils. Up to the present the Works Councils have been established and a provisional Federal Economic Council has been appointed, but the form to be taken by the intermediate machinery has not yet been determined.

The reports of the Factory Inspectors for the year 1920 contain some account of the activities of Works Councils during that year. According to these reports, it would appear that the two sides represented on the Councils, employers and workers, are beginning to adapt themselves to the Works Council System, the employers recognising the rights of the Councils, and the workers realising the limitation to these rights. The hostility manifested by both sides at the time of the introduction of the Act has given way to improved relations. The following extracts from the reports of some of the Factory Inspectors may be made :—

> " The spirit of opposition between the two sides seems to have died down and given way to a realization that mutual concessions alone can guarantee favourable development. Thanks to this realisation, the employers are more disposed to enter into negotiations and to make concessions, and the workers more often send moderate representatives to the Councils instead of extremists. (Berlin.)
>
> " The conciliatory influence of moderate members of the Works Councils has often been brought to bear on the working masses, often excited and even ready to commit excesses, and it has certainly very often saved the management of undertakings from serious trouble. On the other hand, there have been members of Works Councils who have excited their comrades to go on strike, to create disturbances, and even to be guilty of acts of violence or coercive measures. Employees in charge of negotiations have been threatened, and cases have been reported where it has been found necessary for them to keep away from the factories and their homes for weeks on end. (Oppeln.)
>
> " It should be remarked that the majority of members of Works Councils are fully aware of their duty to mediate and conciliate, although others have failed in this respect. (Düsseldorf.)

" The majority of employers have regarded the system of Works Councils with little favour, and some of them consider it disadvantageous in every respect. However, it should be recognised that certain members of the Councils have put forward claims which go very much further than their rights. This has often been the cause of strained relations between employers and workers, but on the other hand there are many cases where both employers and workers have submitted to the conditions of the Act, and where the employers have been able to win the co-operation of the Works Councils. (Breslau.)

" Employers have recognised in the majority of cases that the Works Councils have shown every sign of goodwill, not only for the purpose of representing their own interests, but also on behalf of the prosperity of the undertaking. It is not possible to tell as yet whether production has been increased as a result of their work. Many of the members of the Works Councils are still ignorant of the economic conditions of production, but there have been others who have adapted themselves with surprising ease to their new duties. . . . Relations between employers and the members of the Works Councils have, in general, been satisfactory. Many employers have asserted that it is easier for them to reach an agreement with the Works Councils than to deal with the grievances of individual workers." (Cologne.)

The Prussian Factory Inspectors' Reports for 1921, bear out the reports of 1920, and on the whole record the development of more harmonious relations between employers and workers. For example, the Breslau report which in 1920 (*see* above) was unfavourable to the system, states—" It may be said that the employers in general recognise the value of the activities of the Works Councils. Mutual relations have without doubt improved considerably. Both sides have shown a disposition to meet each other half-way : the employer because he has gradually made up his mind to accept the idea of the workers having some share in decisions affecting the undertaking, and also because he recognises that the existence of a statutory body representing the workers endowed with certain powers is useful to him especially in negotiations with the workers; the worker because he has realised that it is to his interest as well as that of the employer to elect to the Council moderate men with a knowledge of trade conditions. It may, therefore, be expected that further peaceful development may make the Works Council an effective means for securing industrial peace."

In an article in *Soziale Praxis* (12-10-22) Herr Karl Asterrott, President of the Works Council of the Henochel Locomotive Works at Cassel, considers that the two most beneficial results of the working of the system which have shown themselves up to the present are as follows :—(1) the insight gained by the workers into the difficulties of running a business has led to sympathy with and appreciation of the employers; and (2) the co-operation of the Works Council has been useful in smoothing

the path for the introduction of new machinery and methods, especially such as are on the surface immediately prejudicial to the workers. The crux of the whole problem in the writer's opinion is the adequate training of council members

With regard to the special position of the coal mining industry in Germany, it may be mentioned that a commission was appointed in January, 1919, to report on the socialisation of coal mines, and another in the spring of 1920. Two reports were issued by the latter about the beginning of September. A bare majority of 11 members favoured cautious and gradual procedure; a minority of 10 advocated immediate and complete socialisation; both recommended that the control of financial policy should be vested in a coal council on which producers, manual and non-manual workers, consumers and experts should be represented. The Socialisation Commission was abolished in the spring of 1922.

Luxemburg.

A Grand Ducal Decree of July, 1920, by which consultative committees were established for industrial undertakings employing fifty or more persons, was replaced by a more elaborate Decree of 8th October, 1920, which provided for the immediate and compulsory establishment, on a basis similar to those adopted in Germany, of Works Councils in industrial undertakings regularly employing fifteen or more persons. As a result of their activities there was a general strike in the mining and iron and steel industries which led to their dissolution by a decree of 14th March, 1921.

Austria.

Under the Law of May, 1919, every factory irrespective of size and every other concern employing 20 persons or more must have its Council. In concerns with more than 5 and less than 20 workpeople, the functions of the Works Council are to be discharged by stewards. Agriculture is excluded from the operation of the law, and there are special arrangements for Government departments, railways and the postal service. Where in any concern there are at least 10 manual and 10 non-manual workers, each group has a committee for its own interests; and the Works Council is a joint assembly of the two.

The function of the Works Council is to promote the " economic and cultural interests " of the workers without superseding the trade unions. A book of rules may not be issued or altered without the consent of a Council. Collective agreements as to hours and wages are concluded by and with the unions. The execution of them is supervised by the Works Councils, which carry out any supplementary negotiations provided for by the main agreements. The Councils have to prepare, for the use of the unions, preliminary information for the negotiation of an agreement. Where no agreement exists, hours and wages are settled between the employer and the Works Council with the concurrence of the Union. Individual rates are to be settled directly between employers and workmen; only in case of failure to agree is the

Works Council entitled to intervene, an appeal to the Conciliation Board* being provided. The Board may appoint sworn experts to examine employers' statements of costs and output.

At the request of the Council the employer is obliged to hold a joint monthly conference on suggested improvements in the equipment, arrangements and general management of his works.

Works Councils have to supervise the execution of laws relating to protection of workpeople, insurance, factory hygiene and accidents, and may demand an official enquiry, on which the Councils must be represented. A member of the Council takes part in any official inspection under the Mining or the Factory Laws.

The Councils may verify the wages sheets. Fines cannot be deducted without the consent of a joint committee appointed by the employer and the Works Council. The Councils take part in managing all welfare institutions, canteens, sick funds, etc., and may require the employer to hold general meetings once a month to discuss working conditions.

A member of the Council cannot be dismissed from his employment (except on grounds provided by law, *e.g.*, dangerous negligence) without the consent of the Council. As to the dismissal of any other worker, the Council may, within eight days, object to it and appeal to a Conciliation Board " on the ground that it is political, connected with the activities of the worker as a member of the Works Council, or due to the exercise of legal rights of combination and association."

In commercial concerns with 30 employees, and in mines and factories, the Works Council may demand the annual production of the balance-sheet, profit and loss account and figures of wages. In companies with Boards of Control, the Works Council has two unpaid representatives on the Board. A later Order (11th July, 1919) provided that these representatives must be employees of the undertaking and thus excluded trade union officials.†

The qualifications for voting are one month's regular employment and an age limit of 18 years; for election, 6 months' regular employment and an age limit of 24 years. One quarter of the members may be trade union officials not employed in the concern, but no such official may sit on more than one Council. The Council is elected once a year. The number of members is :— up to 50 employees, 3; and then one for every hundred or fraction of a hundred up to 1,000; thereafter, one for every 500 or fraction of 500.

For the maintenance of the Works Council including its welfare

* The Conciliation Boards established by Act of 18th December, 1919, consist of an impartial chairman and an equal number (generally one) of representatives of employers and workers appointed by the Ministry of Social Administration.

† According to a statement made at the meeting of the International Association for Labour Legislation at Geneva in October 1922, Austrian employers, like German ones, are evading the provision chiefly by altering the rules of the company so that all important questions are dealt with not by the Board of Control but by a Sub-Committee. (*See also* under Germany, p. 190).

work, the employees may in general meeting, by a majority vote, assign ½ per cent. of the wages. This contribution then becomes compulsory on all. The management of the fund is supervised by the Ministry of Social Welfare, which may entrust the duty to the Unions.

It will be observed that the Austrian Act is almost identical in its broad outlines with the German Act, but there are important differences. For instance, the German Act imposes the working expenses of the Councils on the employer, while the Austrian Act definitely makes the expenses of the Councils a charge upon the workers. More stress is laid in the Austrian Act upon the powers of the Councils in relation to discipline; they are specially required to co-operate in the maintenance of discipline in the undertakings and they share the duty of imposing penalties upon workers. Nowhere does the Austrian Act expressly exclude the workers from direct intervention in the management, but the sum total of its provisions does not appear to give to the Austrian worker a greater share in general management than is given by the corresponding German Act. It should be noted that, though no outside general committees for the trade or district (like the British Whitley Councils) are set up under these laws*, yet it is an outside body (in Germany the district conciliation committee, and in Austria conciliation boards to be established under a separate Act), which alone has power to give compulsory effect to the wishes of the workers.

With regard to the working of the Act, the following remarks may be quoted from an article by Professor Emanuel Adler of the Ministry of Social Administration (*International Labour Review* for March, 1922) : " Generally speaking, expressions of opinion on the Act have been extraordinarily few. Complaints from employers have almost ceased—not merely owing to indifference or resignation to the inevitable, but partly because there is little cause for serious complaint. The verdict of the factory inspectors is on the whole favourable. . . . They complain, however, that the Councils give too much attention to wages and neglect other business."

The author goes on to say that the present economic situation in Austria is quite abnormal and keeps the workers in a perpetual state of unrest and inclines them to extreme views. This suggests that the objections of the employers are not arguments against the institution but against the persons who are at present members of Councils. Further experience and improved conditions should remove these difficulties. He considers that in large establishments a Works Council is indispensable to the employer. Without it, smooth working, especially in times of economic disturbance, is impossible. For the success of the system, however, two questions must be solved, that of the harmonising of the interests of Councils of manual and non-

* The organisation of Works Councils in the metal trades which is highly developed provides for district and national works congresses.

manual workers respectively, and the settlement of the relations of the Councils and the trade unions

Another writer (in the *Oesterreichischer Volkswirt* of 26-3-21) concludes that neither the fears of the employers nor the hopes of the workers have been realised. Workers have concerned themselves almost wholly with wage questions. They have not had the necessary skill or experience to benefit by the right to examine the books and sit on the Board of Control.

As an important instance of joint representation, the Industrial District Commissions under the Unemployment Insurance Act should be noted. These (nine in number) consist of an equal number of employers and workers appointed by the Minister of Social Administration after consultation with the respective associations. The chairman and vice-chairman are appointed from among the members by the Minister. Certain officials, including the district mines and factory inspectors may be present in a consultative capacity. They have very wide powers, including the supervision of the unemployment offices (each of which is provided with a joint arbitration Committee), the recommending of loans and subsidies for all productive unemployment relief works and the supervision of such works.

Czecho-Slovakia.

A general Works Committees Act was approved by the President of the Republic on 3rd September, 1921. Some provisions came into effect on 1st January, but certain provisions relating to the production of balance sheets and to the representation of the committees on Boards of Directors did not become operative until 1st July, 1922. Railways and mines are not affected by the Act. Mines are dealt with by an Act of February 1920 referred to below. For railways the old shop stewards committees continue.

Works committees are to be set up in all other establishments employing at least 30 workers. The number of members of the committee depends on the number of workers and varies from 3 to 20. All workers over 20 who have been employed at least 3 months in the establishment have the right to vote, and all workers who are at least 26 years of age and have been employed at least 12 months in the establishment and engaged at least 3 years in the trade are eligible for election. Members are elected for one year. In establishments in which either manual or non-manual workers are in a minority, provided that they number at least 20 with the right to vote, separate committees may be established for each group. Expenses, which have proved a burning question in Germany, are under this Act shared by employers and workers. Members of the committee may not be dismissed unless the arbitration commission* approves their

* Apparently a body created expressly for the purposes of this Act, consisting of six members, two nominated by the trade unions, two by the employers' association, one by the Government and one, the chairman (a judicial official). Its decision is final in disputes between the workers or between the workers or the committee and the employer in matters relating to the constitution and working of the committees, the payment of their expenses and the interpretation of the rights and duties of their members.

dismissal or the dismissal takes place in accordance with reasons recognised in common law. The employer is entitled to be present or to send a representative to all meetings of the works committee.

The general purpose of the committees is stated to be "the protection of the economic, social and intellectual interests of the workers in relation to the employer." Their functions include the supervision of the observance of agreements relating to wages and conditions of work, the drawing up of shop rules where no collective agreement exists; the supervision of the carrying out of conciliation decisions and of the observance of legislation for the health and safety of the workers (the last in co-operation with the factory inspectors) and the promotion of a good understanding among the workers and between the workers and the employer. They may examine wage lists but only in the presence of the employer or his representative. A more important right is, that the committees have a voice in the discharge of workers in batches and also in the case of individual workers who have been employed at least three months in the establishment. In the latter case the committee may appeal to the arbitration commission which must give judgment in favour of the discharged worker (i) if he has been discharged for reasons of a political, religious, or national nature; (ii) if he has refused work other than that for which he was engaged; and (iii) quite generally, if the discharge is unjust.

The committee must also advise the management in matters relating to the improvement of production and the protection of the workers, and co-operate in the adoption of new methods of work, and in the administration of all welfare institutions. It is expressly stated that the committee is not entitled to interfere in the management and working of the establishment.

The management must keep the committee informed as to all measures relating to the conditions of employment and must present to the committee a quarterly report on the position, output and future plans of the establishment. In establishments employing at least 300 manual or 50 non-manual workers, the employer must submit an annual profit and loss account to the committee. Members of the committee have the right to be present in a consultative capacity at the meetings of the Board of Directors, but this right would appear to be nullified by a clause which states that extraordinary meetings for the purpose of dealing exclusively with financial or personal questions may be held with no workers' delegates present.

Prior to this general measure, an Act of 25th February, 1920, applying only to coal mines and allied undertakings, provided for an organisation elaborated in accordance with the special characteristics and needs of the industry. The Act provides for constant co-operation between the works management and the Works Council on all matters touching the conditions of labour. Close association with the Mines Department is also ensured; the

district mining authority is entitled to send a representative to all meetings of both works and district councils, is the first court of reference for appeals in disputes between employers and councils, and has the duty of supervising the activities of the councils in general.

District councils are a feature peculiar to the system, their introduction being rendered easy by the limitation of the scheme to a single industry, and that one which falls naturally into definite self-contained areas, each presenting fairly uniform conditions within its bounds. The chief functions of the district councils are to secure uniformity both in pit rules and in the activities of works councils throughout each mining district; to act as a court of appeal in case of minor disputes; and to take part in the general regulation of the coal industry. They differ from the works councils under their control, and resemble the Austrian works councils in that trade union officials may be included among their members instead of being restricted to attendance in an advisory capacity on invitation.

As in Germany and Austria, there are elaborate provisions for appeals to outside authorities when the works council and the works management fail to agree; to the district mining authority, the mining arbitration court, the Central Mines Department, and finally to the Minister of Public Works. The councils have no power to enforce their wishes or decisions, but must always have recourse to these official bodies when unable to come to an amicable agreement with the mine-owners.

At a conference of members of works committees held in November, 1922, a resolution was adopted demanding the following amendments to the Works Committees Act:—

(1) Branches of an undertaking not in the same locality as the headquarters branch should be considered as an undertaking competent to elect a works committee, provided that the total number employed in all the branches is at least 30.

(2) Works committees should have the right to decide questions of discharge and engagement of workers in agreement with the employer, instead of as at present merely the right to be consulted on such questions.

(3) The number of members of works committees in undertakings employing over 6,000 should be increased.

(4) In undertakings employing less than 30 persons, works stewards should have the same rights as works committees as provided in Article 3 (*a*) to (*g*) of the Act (*i.e.*, right of supervising the execution of wage agreements and arbitration awards, concluding supplementary collective agreements, securing the observance of regulations for the protection of workers, giving advice on discharge and engagement of workers, etc.).

(5) A central arbitration committee should be set up to decide appeals where matters of principle or matters affecting a large number of persons are in question, or where a contravention of the Act is alleged.

Norway.

The following summary of the Provisional Works Committees Act passed in Norway on 22nd July, 1920, is adapted from the Labour Gazette of August, 1920. The functions of the Committees are advisory only, and no penalty is laid down for failure to comply with the terms of the law.

The law applies to private and public concerns which employ regularly throughout the year not fewer than 50 workers, provided that such concerns (1) come under the law of 18th September, 1915, as to the protection of industrial workpeople, or (2) have for their object the working of railway, tramway, telegraph or telephone services. The King may extend the application of the law to concerns other than those above indicated.

In every establishment included under the law a Works Committee is to be formed, if demanded by one-fourth of the workpeople. The term "workpeople" applies to all persons over 18 years of age who are employed in the concern, except managers or other superior officials, apprentices, messengers, office employees or foremen whose chief duties are of a supervisory character, or who receive a fixed monthly or yearly salary.

The members of the Committee (who must number not less than two or more than ten) are to be elected for a year from among such workers in the establishment as are over 21 years of age, and, so far as possible, from those who have been in the service of the concern for two years or more. All workers over 18 years of age are entitled to vote.

The Works Committee is to consider and express opinions upon the affairs of the concern, so far as they relate to the following points:—(1) Important changes in the management, so far as they affect working conditions; (2) questions concerning ordinary scales of pay, piecework rates, hours of labour, overtime, arrangement of work during short time, holidays, and other working conditions, unless agreement on these matters is reached by direct negotiations between the employer and the workpeople concerned; (3) workshop regulations and additions to or changes therein; and (4) questions as to the setting up or the management of welfare institutions (sickness and funeral funds, savings banks, workmen's dwellings, etc.). Before coming to any decision on the subjects above referred to, the employer must consult the Works Committee. When circumstances make it impossible for him to do this, he may inform the Committee at the earliest opportunity of his decision, giving his reasons for it.

Further, the Committee is entitled (and if requested by one of the parties is bound) to act as conciliator in disputes in which any worker is concerned if they relate to working conditions or to the dismissal of workpeople.

Any dispute which may arise between the employer and the Works Committee regarding the competency of the latter to deal with a question shall be decided by the King or his nominee.

It is provided that the time for negotiations between the Works Committee and the employer is to be fixed by the latter. Otherwise the meetings of the Works Committee are to be fixed by the Chairman so as not to interfere with the usual course of work in the establishment. If a meeting is held by decision of the employer during working hours this is not to involve reduction in the wages of the members of the Committee. It is further provided that the members of the Works Committee must not be discharged or given notice of dismissal unless real reasons exist.

According to *Meddelelsesblad*, the journal of the Norwegian Federation of Trade Unions, for May and June, 1922, 163 Works Committees or Councils had been established by that date.

Esthonia.

An Esthonian Act of 21st October, 1921, provides for the creation of provincial joint committees and a National Joint Committee of agricultural employers and workers. The provincial committees are elected separately for employers and workers in the various communes. Their functions are to fix minimum rates of wages, standards of daily output, the length of the working day for the different months of the year, to regulate overtime and to fix annual holidays. They have also power to prepare schemes for improving the general conditions of agricultural workers. They are to meet at latest in December of each year, and are expected to submit completed plans to the Ministry of Labour and Social Welfare by the 13th January following.

The National Joint Committee consists of two members elected by each of the provincial committees from the employers' and workers' sections respectively. Its function is to examine and co-ordinate the proposals of the provincial committees. It must submit its proposals to the Ministry of Labour by 15th February, so that they may be promulgated before the beginning of the financial year on 1st May. Schemes published in the Esthonian Official Gazette have the force of law, and remain in operation till the decisions of the following year are published. The National Committee is also empowered to give its opinion to the Government on measures for improving the position of agricultural workers.

Local conditions of work are to be elaborated in detail by the provincial committees, but the Act itself contains certain provisions of a general character. Thus, for example, the minimum rates fixed by the committees must not be reduced even with the consent of the workers, and the money value of payments in kind is to be fixed by the Ministry of Labour at least twice a year. The Act also provides for written duplicate contracts and for work-books or wages-books, which must show not only the wages paid in money and kind, but also the output of the workers in so far as it exceeds or falls below the standard.

The working hours fixed must not exceed an average of nine a day throughout the year. Overtime is to be paid at time-and-a-half. Certain holidays are to be granted. Agricultural workers

are placed on an equality with industrial workers in the matter of compensation for accidents. The work of children and young persons is regulated.

Responsibility for enforcing the Act rests with the Ministry of Labour, assisted by certain local bodies and inspectors. Disputes which these bodies are unable to settle are brought before the justice of the peace.

Other Countries.

Among the steps taken in other countries the following reports which reached the Ministry on various dates during 1920 may be of interest.

It was reported during 1920 that, at the suggestion of the National Labour Department, a special committee had been appointed to report on the possibility of introducing " National Industrial Councils " in the *Argentine*. The Labour Association (the body upholding " free " non-union labour) was opposed to Joint Industrial Councils on the grounds that labour legislation is incomplete and labour organisations have no legal status; it advocated workshop councils or committees with the duty of maintaining harmony and averting disputes. In the following February it was reported that a system of Joint Councils had been established on the Buenos Aires and Pacific Railway.

In *Spain*, at the request of the most important organisations of employers and workers at Barcelona, the Government, by Decree of 24th April, 1920, established Joint Committees, under the control of a Central Joint Commission, for the regulation of working conditions in four branches of commercial enterprise at Barcelona, *viz.*, banks, transport undertakings, wholesale trade and retail trade. A fifth branch, comprising the food trades, was instituted by Ministerial order of 19th October, 1921.

The establishment of works committees in Government establishments in *India* had been under consideration and an experiment was being made with joint committees in State printing works.

A Joint Industrial Council had been established for the printing trade in *South Africa*. The enquiries received in the Ministry of Labour indicate that there is considerable interest in South Africa in the Whitley Scheme.

By an Act of March 1920, railway workers in *Switzerland* are represented on an advisory commission for the railway service.

The interest shown in this subject in *Holland* is indicated by the conference of the " Christian " Trade Union Federation in March, 1921, to discuss " Trade Union Policy and the Workers' Share in Control " and by the resolution of the directorate of the Roman Catholic Joint Industrial Council to enlist Catholic support in favour of " Legislation regulating industry on the basis of the existing system of Joint Industrial Councils." For Government employees, including railway employees, steps have been taken to establish Joint Commissions.

In *Denmark* provision was made in an agreement in 1920 for the appointment of a Joint Committee to consider the question of " Workers' Share in Control."

The *Japanese* Ministries of the Interior and of Agriculture have recently drafted a Bill for the establishment in all industrial concerns of Works Committees on which employers and workers would be equally represented. The purpose of the Bill is to provide means for the settlement of disputes without recourse to a strike, but the Committees would meet regularly at least five times a year and they and their sub-committees would deal with a fairly wide range of subjects—hours, production, health, safety and welfare, &c. According to official investigations made at the end of 1921, factory councils have been established in 76 undertakings, 68 of which are manufacturing and eight mining.

APPENDIX.

I.—NATIONAL COUNCILS.

SUGGESTIONS PREPARED BY THE MINISTRY OF LABOUR AS TO THE CONSTITUTION AND FUNCTIONS OF A NATIONAL JOINT INDUSTRIAL COUNCIL.

THE COUNCIL SHALL BE CALLED THE JOINT INDUSTRIAL COUNCIL FOR THE .....INDUSTRY.

Note.—It is important that the scope of a Joint Industrial Council for an industry should, so far as possible, be carefully defined beforehand, in view of the widespread organization of industry generally into joint bodies. Such definition, though possibly leading to delay at the outset, would prevent later the inevitable difficulties of demarcation.

(A) FUNCTIONS OF A JOINT INDUSTRIAL COUNCIL.

1. To secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life and for the improvement of the conditions of all engaged in that industry.

It will be open to the Council to take any action that falls within the scope of the general definition. Among its more specific objects will be the following.

N.B.—It is not possible and it is not the intention of the Minister to suggest any hard and fast policy as to what should constitute the functions of an Industrial Council. This is a question which the employers and workpeople in each industry must settle for themselves in their preliminary conferences in the light of their special needs and conditions.

2. Regular consideration of wages, hours and working conditions in the industry as a whole.

N.B.—(1.) *In some cases a Joint Industrial Council will contain representatives of a number of trades which have been accustomed in the past to deal with such questions as wages, hours, &c., through their already existing organisations. To meet such cases the following clause has been inserted in one of the draft constitutions: "Provided that where any such matters have in the past been dealt with separately by any Organisation, such matters shall not be dealt with by the Council as far as that Organisation is concerned without the consent of the representatives of that Organisation."*

(2.) *In the case of an industry which comprises a number of distinct sections each with its own processes or occupations it may be thought desirable to form Sectional Councils, under the National Council, possessing a certain measure of autonomy. In such cases the following clause is suggested: "It shall be within the province of the Joint Industrial Council to establish Sectional Councils with such powers as may be deemed expedient by the National Council."*

3. The consideration of measures for regularising production and employment.

4. The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry, and the establishment of machinery for this purpose where it does not already exist, with the object of securing the speedy settlement of difficulties.

Note.—Several Councils have delegated either to their executive committees or to special committees the duty of arbitration in disputes.

5. The consideration of measures for securing the inclusion of all employers and workpeople in their respective associations.

6. The collection of statistics and information on matters appertaining to the industry.

7. The encouragement of the study of processes and design and of research, with a view to perfecting the products of the industry.

8. The provision of facilities for the full consideration and utilization of inventions and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement in method or invention shall give to each party an equitable share of the benefits financially or otherwise arising therefrom.

9. Inquiries into special problems of the industry, including the comparative study of the organisation and methods of the industry in this and other countries, and, where desirable, the publication of reports. The arrangement of lectures and the holding of conferences on subjects of general interest to the industry.

10. The improvement of the health conditions obtaining in the industry, and the provision of special treatment where necessary for workers in the industry.

11. The supervision of entry into, and training for, the industry, and co-operation with the educational authorities in arranging education in all its branches for the industry.

12. The issue to the Press of authoritative statements upon matters affecting the industry of general interest to the community.

13. Representation of the needs and opinions of the industry to the Government, Government Departments and other authorities.

14. The consideration of any other matters that may be referred to it by the Government or any Government Department.

15. The consideration of the proposals for District Councils and Works Committees, put forward in the Whitley Report, having regard in each case to any such organisations as may already be in existence.

16. Co-operation with the Joint Industrial Councils for other industries to deal with problems of common interest.

(B) THE CONSTITUTION OF A JOINT INDUSTRIAL COUNCIL.

1. *Membership.*

The Council shall consist of members, appointed as to one half by Associations of Employers and as to the other half by Trade Unions.

Associations of Employers.	No. of Representatives.
(1)	
(2)	
(3)	
&c.	
Total	

Trade Unions.	No. of Representatives.
(1)	
(2)	
(3)	
&c.	
Total	

2. *Re-appointment.*

The representatives of the said Associations and Unions shall retire annually, and shall be eligible for re-appointment by their respective Associations and Unions. Casual vacancies shall be filled by the Association concerned, which shall appoint a member to sit until the end of the current year.

When an accredited representative of any Association or Union cannot attend a meeting of the Council a deputy may be sent by his Association in his place.

3. *Committees.*

The Council may delegate special powers to any Committee it appoints.

The Council shall appoint an Executive Committee and may appoint such other Standing or Sectional Committees as may be necessary. It shall also have the power to appoint other Committees for special purposes. The Reports of all Committees shall be submitted to the Council for confirmation except where special powers have been delegated to a Committee. The Council shall have the power to appoint on Committees, other than the Executive Committee, such persons not being members of the Council as may serve the special purposes of the Council.

4. *Co-opted Members.*

The Council may allow Committees other than the Executive Committee to co-opt such persons of special knowledge not being members of the Council as may serve the special purposes of the Council.

N.B.—This clause is designed to give power to a Committee to add to its numbers by co-opting representatives of scientific, technical and commercial Associations, and other persons of special knowledge.

5. *Officers.*

Chairman and Vice-Chairman.

The Council shall appoint a Chairman and a Vice-Chairman. When the Chairman is a member drawn from the employers, the Vice-Chairman shall be a member drawn from the Trade Unionists and *vice-versa*. The Chairman or, in his absence, the Vice-Chairman shall preside at the meetings, and shall have a vote, but not a casting vote.

Treasurers.

The Council shall appoint a Treasurer or Treasurers.

Secretariat.

The Council shall be empowered to maintain a Secretary or Secretaries, and such clerical staff as it may think fit.

All Honorary Officers shall be elected by the Council for a term of one year, but shall be eligible for re-election.

One Constitution (Flour-milling Industry) gives power to appoint an Auditor or Auditors.

6. *Meetings of the Council.*

The ordinary meetings of the Council shall be held as often as necessary and not less than once a quarter. The meeting in the month of shall be the annual meeting. A special meeting of the Council shall be called within days of the receipt of a requisition from members of the Council or from the Executive Committee. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. *Voting.*

The voting both in Council and in Committees shall be by show of hands or otherwise as the Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of the members present on either side of the Council.

8. *Quorum.*

The quorum shall be members on each side of the Council.

9. *Finance.*

The administrative expenses of the Council shall be met in equal proportions by the Associations and Trade Unions represented.

10. *Amendment of Constitution.*

The Council shall have power from time to time to amend or add to the above Constitution in such way as it may think fit.

11. *Relation of a Joint Industrial Council to the Government.*

It is desirable that there should be intimate and continuous touch between the Industrial Councils and the various Government Departments interested, not only to secure prompt attention from the right officials, but also to obtain information as to what other Councils are doing. To meet this need the Ministry of Labour has, at the request of the Government, set up a special section dealing with Industrial Councils.

Where any Industrial Council so desires, a civil servant with the necessary experience will be assigned the duties of Liaison Officer by the Ministry of Labour. He will act only as and when required and in a purely advisory and consultative capacity, and will be available when desired for any meetings of the Council.

By this means similarity of method and continuity of policy in the various Industrial Councils will be assured, and the experience and proposals of one Council will be available for all the others.

12. *District Councils and Works Committees.*

It will be necessary for the Council when formed to consider the necessary arrangements for District Councils and Works Committees if the conditions of the industry are such as to require them. Obviously existing local conditions and existing organisations will have to be taken into account and the variety of such conditions carefully considered. The Ministry of Labour will be glad to supply examples of existing schemes and other information at their disposal.

II.—DISTRICT COUNCILS.

SUGGESTIONS PREPARED BY THE MINISTRY OF LABOUR AS TO THE CONSTITUTION AND FUNCTIONS OF DISTRICT COUNCILS OF NATIONAL JOINT INDUSTRIAL COUNCILS.

(A) FUNCTIONS OF DISTRICT COUNCILS.

The main functions of District Councils are as follows:—

1. To consider any matters that may be referred to them by the National Joint Industrial Council, and to take executive action within their district in connection with decisions arrived at and matters deputed to them by it.

2. To make recommendations to the National Joint Industrial Council.

3. To consider any matters of interest to their district, including matters referred to them by Works Committees, and to take executive action with regard to matters that affect only their particular district, subject to the right of the National Council to veto any such action if it be found to involve the interests of other districts.

The following may be regarded as among the more specific functions falling under this head (No. 3):—

(*a*) The regular consideration of hours, wages, and working conditions, including the codification, unification, and amendment of working rules relating to holidays, juvenile labour, overtime, the shift system, &c. (N.B.—Special attention is called to the

fact that no executive action should be taken upon these matters if such action is likely to involve the interests of other districts. In any cases of doubt, the District Council should consult the National Council before taking action.)

(*b*) The co-ordination of local workshop practice.

(*c*) General district matters relating to welfare work.

(*d*) The provision of facilities for the full consideration and utilisation of inventions, and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement or invention shall give to each party an equitable share of the benefits (financially or otherwise) arising therefrom.

(*e*) The improvement of health conditions obtaining in the industry and the provision of special treatment, where necessary, for workers in the industry.

(*f*) The supervision of entry into, and training for, the industry and co-operation with the educational authorities in arranging education in all its branches for the industry.

(*g*) The arrangement of lectures and the holding of conferences in the district on subjects of general interest to the industry.

4. Co-operation with the District Councils for other industries to deal with problems of common interest.

5. Where no adequate machinery exists for the settlement of differences between different parties and sections of the industry, to consider any such differences as cannot be settled within an individual factory or workshop, and to refer to the National Council any such matters upon which the District Council fails to come to a decision.

(B) Constitution of District Councils.

1. *Areas of District Councils.*—It would clearly be the work of the National Joint Industrial Council in consultation with the existing local Associations to define the suitable areas to be covered by District Councils. It is suggested that a District Council should not cover a larger area than is compatible with decentralised action.

2. *Membership.*—The Council shall consist of members, appointed as to one-half by Associations of Employers, and as to the other half by Trade Unions. Members of the National Council shall be ex-officio members of the District Council in their area.

Associations of Employers.	*No. of Representatives.*
(1)	
(2)	
(3)	
&c.	
Total	

Trade Unions.	
(1)	
(2)	
(3)	
&c.	
Total	

(N.B.—When the question of membership is under consideration the National Council will have to consider carefully the question of linking up District Councils with Works Committees, if and when such exist. Provision might be made in the constitution for a certain proportion of members of the District Council to be representatives elected from a conference of Works Committees if and when a sufficient number of Works Committees are set up within the area of the District Council.)

3. *Re-appointment.*—The representatives of the said Associations and Trade Unions shall retire annually, and shall be eligible for re-appointment by their respective Associations and Unions. Casual vacancies shall be filled by the Association concerned, which shall appoint a member to sit until the end of the current year.

4. *Committees.*—The District Council may delegate special powers to any Committee it appoints. The Reports of all Committees shall be submitted to the District Council for confirmation, except where special powers have been delegated to the Committee, and the District Council shall have power to appoint on Committtees, or to allow Committees to co-opt, such persons of special knowledge, not being members of the Council, as may serve the special purposes of the District Council.

5. *Officers.*—It might be advisable under this head to follow the method adopted in the Constitution of the corresponding National Joint Industrial Council.

6. *Meetings of the District Council.*—The ordinary meetings of the District Council shall be held as often as necessary, and not less than once a quarter. The annual meeting shall be held at least fourteen days before the annual meeting of the National Joint Industrial Council. A special meeting of the Council shall be called within days of the receipt of a requisition from one-third of the members of the Council. The matters to be discussed at such meeting shall be stated upon the notice summoning the meeting.

7. *Voting.*—The voting, both in Council and in the Committees, shall be by show of hands, or otherwise as the District Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of members present on each side of the District Council.

8. *Quorum.*—The quorum shall be members on each side of the Council.

9. *Finance.*—It might be advisable to adopt the method laid down in the Constitution of the corresponding National Joint Industrial Council.

10. *Minutes.*—Copies of the Minutes of all meetings of District Councils shall be forwarded to the Joint Secretaries of the National Council within one week of the meeting.

Note.

The relation of District Councils to the National Joint Industrial Council and to the Government.

The Functions and Constitution of District Councils shall be submitted to the National Council for their approval, and copies of such Constitutions and the membership of the various District Councils should be sent by the National Joint Industrial Council to the Ministry of Labour.

Any communications addressed to Government Departments by District Councils must not be sent direct, but through the National Joint Industrial Council.

III. WORKS COMMITTEES.

Suggestions prepared by the Ministry of Labour as to the Constitution and Functions of Works Committees in industries in which National Joint Industrial Councils are established.

The differing circumstances of different industries make it impossible to devise any scheme suitable to every industry. Again, the type of Works Committee suitable will vary with the size of the firm and the form taken by organisation among employees. In preparing a scheme, therefore, the machinery outlined in the following suggestions may require to be adapted in greater or lesser degree if the general objects for which Works Committees are recommended are to be attained. At the same time, anything that is done—whether or not it is embodied in the Works Rules drawn up by the Works Committee—must be consistent with the principles of the

collective agreements accepted by the District and National Authorities. For this reason steps should be taken to secure the closest possible connection between the Works Committee and the District and National Councils.

Objects.

1. The object of the Works Committee is to provide a recognised means of consultation between the management and the employees, and

(i) to give the employees a wider interest in and greater responsibility for the conditions under which their work is performed,

(ii) to enforce the regulations contained in collective agreements drawn up by District and National Authorities,

(iii) to prevent friction and misunderstanding.

Functions.

2. Matters to be dealt with by the Works Committee shall include:—

(*This list of functions is not meant to be exhaustive. Almost every industry has rules or customs which arise from the particular conditions under which the work of the industry is carried on* (e.g., *the payment of "dirty money," provision of tools, allowances for working away from the works or from home, allowances on standard district piece prices for deficiencies in material or machinery,* &c.). *In a well-regulated industry many such matters will be subject to district or national agreements, and the powers of a Works Committee will be limited in the same manner as they will be in regard to the more general questions of district or national agreement (standard rates, piece prices, normal hours, overtime,* &c.). *No attempt has been made to include such questions as arise only in some industries, for which each National Council concerned will have to decide upon a method of regulation, including the powers to be vested in Works Committees.*)

(*a*) The issue and revision of works rules.

(*b*) The distribution of working hours; breaks; time recording, &c.

(*c*) The method of payment of wages (time, form of pay ticket, &c.); explanation of methods of payment; the adjustment of piece prices, subject to district or national agreements; records of piece prices; deductions, &c.

(*d*) The settlement of grievances.

(*e*) Holiday arrangements.

(*f*) Questions of physical welfare (provision of meals, drinking water, lavatories and washing accommodation, cloakrooms, ventilation, heating, lighting and sanitation; accidents, safety appliances, first aid, ambulance, &c.)

(*g*) Questions of discipline and conduct as between management and workpeople (malingering; bullying; time keeping; publicity in regard to rules; supervision of notice boards, &c.).

(*h*) Terms of engagement of workpeople.

(*i*) The training of apprentices and young persons.

(*j*) Technical library; lectures on the technical and social aspects of the industry.

(*k*) Suggestions of improvements in method and organisation of work; the testing of suggestions.

(*l*) Investigation of circumstances tending to reduce efficiency or in any way to interfere with the satisfactory working of the factory.

(*m*) Collections (for clubs, charities, &c.).

(*n*) Entertainments and sports.

(*o*) The provision of facilities for the employees' side of the Joint Committee (or of a departmental committee, if any) to conduct its own work.

(*It may be found necessary to leave certain questions to be settled not by the whole Works Committee, but by a sub-committee of it on which the workers' representatives are drawn only from the particular department or section directly concerned, for example, a piecework question in one department of a works which is mainly on timework. The size of the works, also, is a factor which must be taken into account in considering the need for sub-committees. In some instances departmental sub-committees and in others functional sub-committees* (e.g., *a "Safety" Committee or a Welfare Committee*) *may best suit the circumstances. Even where definite sub-committees are not arranged for, work of the same kind as these would perform may often be carried out by consultation between the representatives of the management and the secretary of the workers' side, along with the representatives of a department.*)

3. The Works Committee shall not have any power to come to an agreement inconsistent with the powers or decisions of the District or National Councils or with any agreement between a trade union and the employers' association. Further, any agreement come to by a Works Committee may at any time be superseded by the District or National Council or by agreement between a trade union and the employers' association.

Constitution.

4. The Works Committee shall consist of members, of whom shall represent the management and shall represent the employees.

(*To have an equal number of members on the two sides would in most works be impracticable, and, in view of the suggested procedure, is unnecessary. The number required on the management side will vary, but 2, 3 or 4 is suggested as a suitable number. The number of employees' representatives will vary with the size and complexity of the particular works. Some number from 5 to 12 is suggested as likely to suit most circumstances.*)

5. Either side shall have the right to add to its numbers representatives of the particular departments or sections of departments affected by a question under discussion and not directly represented on the Committee. The addition shall be made only for the period during which the question affecting the particular departments or sections of departments is before the Committee.

6. The representatives of the Management on the Committee shall be appointed by the firm.

(*Certain members of the managerial staff should form a constant nucleus of the management side. This nucleus should be made up of such individuals as a Managing Director, the Works Manager, and, where there is such an official, the Labour or Welfare Superintendent.*)

7. The employees' side of the Works Committee shall be Trade Union members, elected as hereinafter provided.

(*The National and District Councils are based solely upon the representation of organisations. In the case of the works, in order to secure cohesion of policy as between the Works Committee and the District and National Councils, it is advisable that the Works Committee should normally be based on a recognition of the workpeople's organisations. But in particular factories where the employees are not strongly organised, or where the functions of the Works Committee are such as to require the presence of workers who are not organised, it may be found necessary to depart from the principle laid down above. In these circumstances, however, the shop stewards, or other trade union representatives in the works, should be consulted on all questions affecting district or national agreements. Any deviation from the general scheme should be adopted only after approval by the Industrial Council on a consideration of the merits of the case.*)

8. Employee members shall hold office for a period of 12 months ending on the day of in each year. On any representative leaving the employment of the firm or resigning his position as member, a successor shall be appointed in the ordinary way by the department or section concerned, to hold office for the remainder of the term.

Elections.

9. Elections of employees' representatives on the Works Committee shall be held in the month of in each year.

(Each works should draw up a scheme of constituencies and a method of election to suit its own particular conditions. It is suggested that a provisional committee should be appointed for this purpose. The representation should normally be on the basis of departments, due allowance being made for the various sections of workers engaged in any department. In order that this may not sometimes necessitate a Committee of unwieldy size, it is suggested that for large or complex works the employees' side of the Joint Committee should be appointed by and from a larger body of workers' representatives elected from the various departments. In large works it will probably be found desirable to establish departmental committees with a Works Committee representative of all the departments chosen from the departmental committees. In such cases the functions of the departmental committees will be confined to matters affecting the department only, whilst the Works Committee will consider questions affecting more than one department or the whole works. The workers' side of a departmental committee should be so elected as to give representation to each of the various sections of workers engaged in the department.)

10. The election should be by ballot, or by departmental or sectional meetings specially convened for the purpose.

11. A serving member of the Committee shall be eligible for re-election.

Officers.

12. The Works Committee shall appoint a Chairman and a Vice-Chairman from the two sides respectively. Each side shall appoint its own Secretary.

Procedure.

13. Meetings of the Works Committee shall be held at regular intervals of (two) (four) weeks. The meetings shall be held during working hours.

14. Special meetings of the Works Committee shall be called at hours' notice on a request on behalf of one side by its secretary to the secretary of the other side.

15. The agenda of business shall be submitted by the secretaries to each member of the Committee at least hours before a meeting, except in the case of special meetings.

16. No business other than that appearing on the agenda shall be transacted at any meeting unless both sides agree to its introduction.

17. When an individual employee desires to bring any question before the Committee, he or she should report to his or her departmental or sectional representative, who in the case of grievances shall endeavour to reach a settlement. Failing a settlement, the representative shall inform the employees' secretary. The latter shall endeavour to arrange a settlement. Failing a settlement, the question shall come before the Works Committee.

18. In the course of his duties the secretary of the employees' side should have the right to enter any department in the works, and the representative of any department or section the right to enter the department in which the secretary is at work.

19. Facilities should be provided for meetings of the employees' side of the Committee in the works, normally after working hours or during meal hours.

20. The workers' representatives should be paid at their ordinary rate for time spent at meetings of the Works Committee.

21. Duplicate books of minutes should be kept, one by the Secretary of each side.

22. Copies of the minutes of all meetings of the Works Committee must be sent to the Secretaries of the District Council within 7 days of the date of meeting.

23. Decisions shall be arrived at only by agreement between the two sides.

24. The presence of members from each side of the Committee shall be necessary to form a quorum.

25. In the event of any matter arising which the Committee cannot agree upon, the officials of the trade union or unions concerned shall negotiate with the firm, or, if desired, with the officials of the employees' association. The question may thereafter be referred by either side to the District Council.

26. The recognised district official of any trade union or employees' association concerned may attend any meeting in an advisory capacity.

ALTHOUGH THE ABOVE SUGGESTIONS HAVE BEEN PREPARED AS A GUIDE IN FRAMING A CONSTITUTION FOR A WORKS COMMITTEE IT IS RECOGNISED THAT THE DETAILS OF SUCH A CONSTITUTION MUST VARY TO MEET THE CONDITIONS AND REQUIREMENTS OF PARTICULAR WORKS. THE ASSISTANCE OF OFFICERS OF THE MINISTRY OF LABOUR WITH EXPERIENCE OF WORKS COMMITTEES IS AVAILABLE IN CONNECTION WITH THE DRAFTING OF CONSTITUTIONS AND THE SETTING UP OF WORKS COMMITTEES.

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